



MEDIA RELEASE

Straco reports lower revenue and earnings for 1Q

Financial Highlights (S\$'mil)	3 months to 31 March		
	2018	2017	% change
Revenue	18.80	27.54	-31.7
Profit before tax	6.33	13.23	-52.2
Profit attributable to shareholders	3.55	8.91	-60.1
Earnings per share (Scts)	0.41	1.04	-60.6
Net asset value per share (Scts)	31.81	28.81	10.4

- 1Q revenue dropped 31.7% to \$18.80 million
- 1Q profit declined 60.1% to \$3.55 million
- Net cash of \$146.05 million

SINGAPORE, 10 May 2018:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 31.7% decline in revenue to \$18.80 million for the first quarter ended 31 March 2018, compared to 1Q2017, mainly attributable to the two months suspension of its Singapore Flyer’s ride operations following a technical issue on 25 January 2018. Group profit was S\$3.55 million for the quarter, 60.1% lower than that of 1Q2017.

For the quarter under review, overall visitation to all attractions decreased 24.7% from 1Q2017 to 0.80 million visitors.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said: “It has been a challenging first quarter, due to the technical issue at the Singapore Flyer which required checks and rectifications lasting over two months. We would like to extend our apologies to our customers who were inconvenienced or left disappointed during the stoppage, but I am glad to say that ride operations have since resumed on 1 April 2018, after it received approvals from the authorities that the necessary safety checks and tests had been carried out to the satisfaction of the Building and Construction Authority.”

Mr Wu added: “The outlook of China tourism remain positive, given the rapid development of the tourism ecosystem through social media and mobile payments. As reported, the

country will deepen the implementation of integrated tourism this year, and will continue to eliminate illegal tourism businesses and practices, which bodes well for our future development in China.”

The National Bureau of Statistics of China reported that China’s gross domestic product (“GDP”) grew 6.8% in the first quarter of 2018 on strong consumer demand and robust property investment. Consumption, which accounted for 77.8% of economic growth in the first quarter, played a significant role in supporting the economy.

China’s tourism industry is increasingly becoming a strategic pillar industry of the country. It was reported that in 2017, every Chinese person made 3.7 trips on average and that the industry’s contribution to the national economy and job creation exceeded 10%. The country has declared the year 2018 as “Beautiful China – Year of Integrated Tourism”, with the aim of a more balanced and sustainable tourism development and to better serve the demands of domestic and international travelers.

In Singapore, the economy grew 4.3% year-on-year in 1Q2018, based on advance estimates from the Ministry of Trade and Industry. On the tourism sector, the Singapore Tourism Board (“STB”) reported that tourist arrivals and spending in 2017 hit a record high for the second year in a row year, with a year-on-year increase of 6.2% in overall number of arrivals to 17.4 million, and a 3.9% year-on-year increase in tourism receipts to \$26.8 billion. For 2018, STB projected a 0-4% increase in visitor arrivals and 1-3% growth in tourism receipts.

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About Straco Corporation

Straco Corporation Limited (“Straco”), listed on the Singapore Stock Exchange in 2004, is a leading developer and operator of aquatic-related facilities and tourism-related assets. Straco’s main operating assets include Shanghai Ocean Aquarium, situated in the New Pudong Area, next to Shanghai’s landmark Oriental Pearl Tower; Lixing cable car service at Mount Lishan in Lishan in Lintong District, Shaanxi province; Underwater World Xiamen on the scenic Gulangyu Island, a key tourist attraction of Xiamen City, and the Singapore Flyer, an iconic landmark located in the Marina Bay skyline.

Straco has been constantly sourcing for tourism projects to tap into the expected tourism boom in Asia. The Group will leverage on its experience and track record in the China market to form strategic investment alliances to develop and operate tourism resources in China and the region.