



MEDIA RELEASE

Straco reports higher revenue and stable earnings for 3Q

Financial Highlights (S\$'mil)	3 Months to 30 September			9 Months to 30 September		
	2018	2017	% change	2018	2017	% change
Revenue	48.49	46.11	5.2	95.55	103.85	-8.0
Profit before tax	31.55	31.28	0.9	53.21	61.14	-13.0
Profit attributable to shareholders	21.42	21.35	0.3	35.80	41.67	-14.1
Earnings per share (Scts)	2.49	2.48	0.4	4.16	4.85	-14.2
Net asset value per share (Scts)	-	-	-	32.19	30.21	6.6

- 3Q revenue increased 5.2% to \$48.5 million
- 3Q earnings remained stable at \$21.4 million
- Net cash of \$162.3 million, \$0.19 per share

SINGAPORE, 12 November 2018:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 5.2% increase in Group revenue to \$48.49 million for the third quarter ended 30 September 2018 compared to 3Q2017, mainly attributable to higher revenues contributed by the three China attractions partially offset by lower revenue from Singapore Flyer. Group profit was \$21.42 million for the quarter, in line with that of 3Q2017.

For the quarter under review, overall visitor numbers to all the attractions increased 5.5% over 3Q2017 to 2.01 million visitors.

Cumulatively, Group revenue for the nine months of FY2018 decreased 8.0% from last year corresponding period, mainly attributable to a ride suspension of over two months of our Singapore Flyer during the first quarter due to a technical issue. Group profit registered a decrease of 14.1% compared to the corresponding period in FY2017.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said: “We are pleased with the overall performance for the 3Q as all our China operations reported positive growth in revenue and earnings for the quarter under review. Singapore Flyer also reported slightly higher earnings for the quarter.”

Mr Wu added: “Despite the lower profitability for the year-to-date, our cash position remain strong with net cash balance of \$162.3 million as of 30 September 2018.”

The National Bureau of Statistics of China reported that China’s gross domestic product (“GDP”) grew 6.5% in the third quarter of 2018, as the country’s trade war with the United States puts pressure on growth. For the first nine months of 2018, the economy grew 6.7% year-on-year.

In a press release from Ministry of Culture and Tourism of the People’s Republic of China, it was reported that the domestic travel market has increased steadily, with 2.826 billion domestic tourists in the first half of 2018, an increase of 11.4% over the corresponding period, while domestic tourism income reached 2.45 trillion Yuan, an increase of 12.5% over same period last year.

In Singapore, the economy grew 2.6% year-on-year in 3Q2018, based on advance estimates from the Ministry of Trade and Industry. On the tourism sector, it was reported that visitor arrivals to Singapore increased 7.7% year-on-year to 9.2 million in the first half of 2018, with about 15% of visitors here for business travel and meeting, incentive travel, conventions and exhibitions (BTMICE). Singapore was also named “Best BTMICE City 2018” by TTG Travel Awards in September this year. The country is working to enhance its overall attractiveness as a destination by investing in quality attractions and reinventing tourism offerings, attracting new visitor segments and increasing their spending, and forging strong partnerships with industry stakeholders to co-create innovative solutions.

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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.