



Business Update

SINGAPORE, 14 May 2021:- The Board of Directors (the “Board” or “Directors”) of Straco Corporation Limited (“Straco” or the “Company”, and together with its subsidiaries, the “Group”) would like to provide a voluntary update on the Group’s business and unaudited financial performance for the first quarter ended 31 March 2021 (“1Q2021”) to its shareholders.

Financial summary:

S\$’000	1Q2021	1Q2020	% change
Revenue	8,086	3,403	137.6
Operating profit/ (loss)	19	(3,630)	<i>n.m.</i>
Loss after tax	(511)	(3,882)	(86.8)
Loss attributable to shareholders	(390)	(3,386)	(88.5)

For the quarter under review, the Group’s business continues to be affected by the impact of the COVID-19 pandemic. While the Group’s operations in China showed year on year improvement supported by domestic tourism, Singapore’s travel restrictions for leisure travel had affected international tourist arrivals which are Singapore Flyer’s main revenue source. Nonetheless, unlike 1Q2020 where the Group’s operations faced varying periods of closure due to the COVID-19 pandemic, no disruptions were experienced, albeit operating at reduced capacity this year.

The Group recorded higher revenue in 1Q2021, as compared to 1Q2020 as all our attractions registered positive revenue growth in the absence of temporary closures and rides suspension that had affected performance in 1Q2020. A small operating profit of S\$0.02 million was registered for 1Q2021, as an exchange gain of \$0.49 million recorded in 1Q2021, due to a stronger Renminbi currency against the Singapore Dollar, and the operating profits generated by our China operations were offset by operating losses incurred by Singapore Flyer. Net cash generated from operating activities for 1Q2021 was S\$1.17 million, compared to \$8.65 million cash used in the corresponding period. Overall visitation to all our attractions in the first quarter was 117% higher than the corresponding period in 1Q2020, but 70% lower than the pre-COVID period in 1Q2019.

The Group incurred losses of \$0.39 million for 1Q2021, significantly lower than the losses of \$3.38 million recorded in 1Q2020.

Despite the first quarter losses, the Group's financial position remains strong with net cash holdings of \$156.9 million as at 31 March 2021. The Group will continue with its prudent cash management practices and will be well placed to ride out this challenging period.

COVID-19 impact and outlook

The COVID-19 pandemic continues to have a severe impact on the tourism industry in the short to medium term, amidst continued border controls and travel restrictions around the world. While many countries have started vaccination programs, the recent resurgence of virus cases mean that precautionary measures such as safe distancing, operating with reduced daily capacity and working from home will continue to weigh on businesses.

The Group will continue with the various cost cutting and cost containment measures while at the same time take cognizance of the need to look after the well-being and welfare of its workforce. As the global COVID-19 situation remains uncertain, the Group will continue to monitor and assess the impact on its operations.

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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 constantly sources 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.