



Business Update

SINGAPORE, 18 November 2022:- 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 third quarter ended 30 September 2022 (“3Q2022”) to its shareholders.

Financial summary:

S\$'000	3Q2022	3Q2021	% change	9 months YTD 2022	9 months YTD 2021	% change
Revenue	11,739	13,682	-14.2	20,551	35,547	-42.2
Operating profit	695	5,569	-87.5	(8,016)	21,046	<i>n.m.</i>
Profit/ (Loss) after tax	202	4,517	-95.5	(8,824)	14,855	<i>n.m.</i>
Profit/ (Loss) attributable to shareholders	175	4,364	-96.0	(8,288)	14,035	<i>n.m.</i>

For the quarter under review, the Group’s businesses in China continue to be affected by the COVID-19 pandemic and the relevant measures put in place by local authorities. The Group’s flagship attraction, Shanghai Ocean Aquarium, in particular, had experienced significant drop in business during the summer holidays amidst strict COVID-19 measures.

The Group’s Singapore Flyer reported significantly higher revenue in 3Q2022, compared to the corresponding period last year, aided by the easing of COVID-19 measures by the authorities in Singapore and deferred revenue recognised. A scheduled maintenance work was also carried out in August for parts replacement.

The Group recorded lower revenue in 3Q2022, as compared to 3Q2021 as our attractions continue to face a challenging operating environment. The Job Support Scheme and land rental waiver provided by the Singapore government for businesses in the previous year were also discontinued as the situation improved. Foreign exchange losses of \$1.84 million were also recorded as the Renminbi currency weakened against the Singapore Dollar in the current quarter, compared to an exchange gain of \$0.39 million recorded in 3Q2021. Consequently, a net profit of \$0.175 million was registered for 3Q2022 as compared to \$4.36 million in 3Q2021.

Net cash generated from operating activities amounted to \$4.3 million in 3Q2022, compared to \$16.91 million in 3Q2021.

The Group’s financial position remains strong with net cash holdings of \$149.3 million as at 30 September 2022.

COVID-19 impact and outlook

The COVID-19 pandemic will continue to have a disruptive impact on the tourism industry in the short to medium term.

The Group will continue with cost cutting and cost containment measures while at the same time take cognizance of the need to ensure the well-being and welfare of its workforce. The Group will monitor and assess the impact on its operations and take appropriate actions from time to time to mitigate any fallout from the COVID-19 situation.

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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.