

STRACO CORPORATION LIMITED

Registration Number: 200203482R
(Incorporated in the Republic of Singapore)

PROFIT GUIDANCE FOR THE FULL YEAR ENDED 31 DECEMBER 2022

The Board of Directors (the “Board”) of Straco Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) would like to provide an update on the financial performance of the Group for the full year ended 31 December 2022 (“FY2022”).

Based on the preliminary review of the unaudited financial results of the Group for FY2022, the Group is expected to report a substantial net loss for FY2022 as compared to the net profit reported for the full year ended 31 December 2021 (“FY2021”), due mainly to the following reasons:

- 1) Decrease in revenue from the Group’s China attractions from FY2021 to FY2022 due to the additional measures such as lockdowns imposed by the Chinese municipal authorities arising from the zero-Covid policy which affected visitor numbers;
- 2) Material exchange losses recorded due to the weakened Renminbi currency against the Singapore Dollar in FY2022, as compared to exchange gains recorded in FY2021;
- 3) Land lease relief and government grants from job support schemes and tourism vouchers received by the Company in FY2021 were discontinued in FY2022, and lower wage support grants were recognised by the Company in FY2022; and
- 4) Decrease in other income due to a one-off arbitration award for an insurance claim, received by the Company’s subsidiary in FY2021. Please refer to our announcement released on 3 June 2021 for further details on this arbitration award and insurance claim.

Further details on the Group’s financial performance will be disclosed when the Company announces its unaudited consolidated financial results for the year ended 31 December 2022 on 1 March 2023.

Shareholders and potential investors are advised to exercise caution when dealing or trading in the securities of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. When in doubt as to the action they should take, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary

8 February 2023