



MEDIA RELEASE

Straco reports higher earnings for FY2006

Financial Highlights (S\$'mil)	12 months to 31 December		
	2006	2005	% change
Sales	18.50	18.14	2.0
Profit Before Tax	4.35	3.98	9.2
Net Profits Attributable to Shareholders	3.38	2.97	13.6
Earnings Per Share (Scts)	0.39	0.34	14.7
NTA (Scts)	9.62	9.48	1.5

- FY 06 earnings increased by 13.6 % to S\$3.38 million
- Proposed first and final dividend of 0.25 cents per share

SINGAPORE, 27 February 2007:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a net profit of S\$3.4 million for the year-ended 31 December 2006, an improvement of 13.6% over FY2005. Group revenue was S\$18.5 million, a marginal increase of 2.0% over FY2005.

For the fourth quarter ended 31 December 2006, Group revenue was down 11.3% compared to the same period in FY2005. Visitor number fell 5.4% to 219,000 compared to 232,000 visitors for the same period in FY2005. The October golden week saw visitor numbers declined 20% over last year’s corresponding period, affected by the wet weather during the first 2 days of the holiday period, as well as competition from a new attraction which caused a dispersion in the festive crowds.

For the quarter under review, walk-in visitors declined 9.5% while the smaller segments tour and corporate groups registered positive growth of 4.5% and 25.3% respectively. The Group reported a net profit of \$0.25 million for 4Q2006, compared to a net profit of \$0.27 million for 4Q2005.

Commenting on the results, Straco's Executive Chairman Mr Wu Hsioh Kwang said "Apart from the blip in the aquarium's performance during the October golden week, the aquarium has performed reasonably well this year. Our earnings per share for the year went up by 15% to 0.39 cents."

Mr Wu added: "Going forward, prices of admission tickets will be pegged to the level approved by the Price Administration Bureau. This is expected to have a positive impact on our earnings."

China's economy grew by a sizzling 10.7% last year, its fastest pace in over a decade, with its GDP reaching 20.9 trillion Yuan. Inflation also accelerated, as consumer prices climbed 2.8% in December 2006, the highest in nearly two years.

The momentum is very strong for the Chinese economy, despite all the tightening measures that had taken place since April last year. The Chinese government is taking measures to cool off an investment boom and reduce China's reliance on exports by boosting domestic consumption.

Shanghai, having bypassed the 6 million mark for overseas tourists last year, has set its sights on attracting 10 million in 2010 when it will host the World Expo. The city has played host to nearly 500 international conferences and 300 international expos last year. In order to realise its goals for 2010, the city will exert great efforts to tap the potential markets in Europe, America, Oceania and Asia by holding promotional conferences in target countries. The city will also cooperate more with Shanghai-based and foreign-funded travel agencies. It will also lift restrictions on foreign travel agencies planning to open subsidiaries in China and lower the registered capital requirement for foreign-funded travel agencies to 2.5 million Yuan from 4 million Yuan on July 1.

The favourable macro conditions augur well for the Group's flagship attraction, Shanghai Ocean Aquarium, and will continue to underpin its performance.

The Group will continue to seek and evaluate high quality tourism and entertainment projects to broaden its earnings base and enhance shareholder value.

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About Straco Corporation

Straco Corporation Limited is a leading developer and operator of tourism-related assets in China. It was listed on the Mainboard of the Singapore Exchange on 20 February 2004. Straco's key asset is the Shanghai Ocean Aquarium, one of the largest indoor, closed systems aquariums in the world with a total built up area of 20,000 m² and a designed capacity of 21,000 people per day. The world-class aquarium showcases over 10,000 fishes and marine livestock of over 350

species from all over the world. It is situated across the Huang Pu River in the New Pudong Area, next to Shanghai's landmark Oriental Pearl Tower.

Straco Corporation has been constantly sourcing for tourism projects to tap into the expected tourism boom in Asia. The Group is well placed to leverage on its experience and track record in the China tourism industry to form strategic investment alliance to develop and operate tourism resources in China.