



MEDIA RELEASE

Straco reports growth in revenue and earnings for the year

Financial Highlights (S\$'mil)	3 months to 31 December			12 months to 31 December		
	2014	2013	% change	2014	2013	% change
Revenue	19.42	14.63	32.8	92.32	72.84	26.7
Profit before tax	7.62	8.64	-11.7	57.64	50.27	14.7
Profit attributable to shareholders	4.43	5.63	-21.4	37.69	34.10	10.5
Earnings per share (Scts)	0.52	0.67	-22.4	4.45	4.05	9.9
Net asset value per share (Scts)	-	-	-	22.02	19.07	15.5

- Cumulative revenue grew 26.7% to \$92.3 million
- Cumulative net profit increased 10.5% to \$37.7 million
- Operating cash flow of \$37 million generated
- Proposed first and final dividend of 2.00 cent per share

SINGAPORE, 16 February 2015:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported that net profit fell 21.4% to \$4.43 million for the fourth quarter ended 31 December 2014, compared to 4Q2013, due to a one-off acquisition related expenses amounting to \$1.98 million charged during the quarter. Excluding these one-off expenses, net profit for the quarter would have been approximately \$6.21 million, 10.3% higher than last year. Group revenue was \$19.42 million for the quarter, an increase of 32.8% compared to 4Q2013, mainly attributable to increased revenue from higher visitor numbers at Shanghai Ocean Aquarium (“SOA”), as well as revenue contributed by its subsidiary, Straco Leisure Pte Ltd (“SLPL”) from the newly acquired Singapore Flyer.

For the quarter under review, combined visitor numbers to its two main attractions, SOA and UWX increased 2.9% over 4Q2013 to 609,000 visitors.

Cumulatively, Group revenue for FY2014 registered growth of 26.7% year on year while Group profit increased 10.5% over the corresponding period to \$37.69 million. Current period net profit was hit by an exchange loss of \$1.49 million, as opposed to an exchange gain of \$2.18 million recorded in the corresponding period; as well as certain one-off expenses related to the acquisition of the Singapore Flyer such as stamp-duty paid on the

investment property acquired, legal and professional fee incurred on the acquisition and loan documentation amounting to \$2.19 million. Excluding these acquisition related costs, net profit for the year would have been approximately \$39.66 million, 16.3% above FY2013's net profit.

Commenting on the full year results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said: "We are pleased with the overall result as both revenue and net profit increased compared to the corresponding period. Increased visitations were registered at both SOA and UWX. Despite slower economic growth, we expect that domestic travel in China will continue rising in line with the government's initiatives for the tourism industry."

Mr Wu added: "We generated net operating cash flow of \$37 million for the year, slightly higher than last year. With the addition of the Singapore Flyer, an iconic attraction in Singapore, we are confident that the outlook for our Group remains positive."

The National Bureau of Statistics of China reported that the Chinese economy grew 7.4% in 2014 from a year earlier, as ongoing structural transition dragged down on growth.

For 2015, a lower target of growth at around 7% is expected, as the government continues with structural reforms to put the economy on a more sustainable path.

On the tourism sector, despite slower economic growth, the increasingly larger domestic tourism market will boost the development of China's tourism industry.

##

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 in China. 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; and Underwater World Xiamen on the scenic Gulangyu Island, a key tourist attraction of Xiamen City. In November 2014, Straco completed its acquisition of the assets and business of the Singapore Flyer via its 90% owned subsidiary, Straco Leisure Pte Ltd.

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.