



MEDIA RELEASE

Straco reports net profit as tourism sector gradually recovers in first half of FY2023

Financial Highlights (S\$'mil)	6 Months to 30 June		
	2023	2022	% change
Revenue	32.08	8.81	264.0
Other income	2.65	2.59	2.3
Profit/ (Loss) before tax	10.25	(9.49)	<i>n.m.</i>
Profit/ (Loss) attributable to shareholders	6.38	(8.46)	<i>n.m.</i>
Earnings/ (Loss) per share (Scts)	0.75	(0.99)	<i>n.m.</i>
Net asset value per share (Scts)	28.58	30.37	-5.9

- 1H revenue increased significantly to \$32.08 million
- Profit of \$6.38 million for the first half
- Net asset value per share decreased 5.9% to 28.58 cents
- Net cash of \$142.49 million, 16.7 cents per share

SINGAPORE, 14 August 2023:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 264% increase in Group revenue to \$32.08 million for the first half ended 30 June 2023 as compared to 1H2022. All of its three China attractions reported substantial increases in revenues against the corresponding period with a surge in visitor arrivals as China eased its strict Covid-19 measures since early December 2022. This was in contrast to 1H2022, when visitor numbers were low amidst frequent lockdowns and strict control measures in line with the zero-Covid policy at that time; a case in point being the 3-month closure of the Shanghai Ocean Aquarium. Singapore Flyer also reported significantly higher revenues over the corresponding period, as international visitor arrivals gradually recovered, as compared to 1H2022, when rides were suspended for about three months following the detection of a technical issue during a routine maintenance inspection.

The Group reported net profit of \$6.38 million for the first half of the year, net of an exchange loss of \$1.49 million recorded as RMB weakened against SGD in the current period. In comparison, the Group reported net loss of \$8.46 million for 1H2022, as all the attractions reported losses.

Net asset value per share decreased compared to 1H2022; attributable to losses incurred in the second half of FY2022, higher translation losses recorded due to further weakening

of RMB against SGD, as well as dividend distributed out of retained profit to the shareholders in 1H2023.

For the half-year under review, the Group recorded approximately 1.3 million visitors to all its attractions, significantly higher than the 0.31 million visitors in 1H2022.

Commenting on the results, Straco's Executive Chairman, Mr. Wu Hsioh Kwang said: "Domestic tourism in China has gradually recovered as visitors returned to our attractions, especially during the holiday periods; all three China attractions turned around and reported net profits for the half year period."

Mr. Wu added: "We are also happy to share that Singapore Flyer has been recognized among the esteemed 2023 Travellers' Choice Best of the Best in the Top Attractions category by Tripadvisor. This award is testament to the collective efforts and dedication to service excellence put in by our team at Singapore Flyer."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 5.5% year-on-year in the first half of 2023, indicating a steady post-Covid recovery, as services and consumption saw significant recovery. However, 1H2023 data is affected by the low base effect last year, which was a period heavily impacted by Covid-19. On the tourism sector, domestic tourism rebounded to pre-Covid-19 levels in the May Day holidays, with 274 million domestic trips made during the five-day break, 19% more than during 2019 and tourists spending hit 148 billion Yuan, on par with 2019 levels. The Chinese Tourism Academy estimates about 4.55 billion domestic trips will be made this year, up 73% from 2022.

Singapore's economy grew 0.7% on a year-on-year basis in the second quarter of 2023, according to advance estimates released by the Ministry of Trade and Industry ("MTI"). For the first quarter of 2023, Singapore welcomed more than 2.9 million visitors, about two-third of pre-Covid-19 numbers, as recovery of the tourism sector continues. The Singapore Tourism Board ("STB") has forecasted that international visitor arrivals to hit 12 million to 14 million in 2023 and full tourism recovery expected by 2024.

##

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.