



## MEDIA RELEASE

### Straco reports slightly lower revenue for 2Q amidst challenging economic climate

Financial Highlights (S\$'mil)	3 Months to 30 June			6 Months to 30 June		
	2019	2018	% change	2019	2018	% change
<b>Revenue</b>	26.43	28.27	-6.5	51.01	47.07	8.4
Profit before tax	13.42	15.33	-12.5	25.75	21.66	18.9
Profit attributable to shareholders	9.01	10.83	-16.8	17.51	14.38	21.8
Earnings per share (Scts)	1.04	1.26	-17.5	2.03	1.67	21.6
Net asset value per share (Scts)	-	-	-	31.41	30.32	3.6

- 2Q revenue decreased 6.5% to \$26.4 million
- 2Q earnings decreased 16.8% to \$9.0 million
- Paid out \$30.3 million in dividends
- Net cash of \$156.5 million

*SINGAPORE, 13 August 2019:-* Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 6.5% decline in Group revenue to \$26.43 million for the second quarter ended 30 June 2019 compared to 2Q2018, mainly attributable to lower revenues contributed by the China attractions. Group profit was \$9.01 million for the quarter, 16.8% lower than that of 2Q2018 as expenses such as consultancy, staff cost, insurance increased; as well as exchange loss of \$0.39 million recorded in this quarter due to the weakened Renminbi currency against Singapore Dollar.

For the quarter under review, overall visitor numbers to all the attractions decreased 11.4% from 2Q2018 to 1.08 million visitors as visitor numbers to our China attractions decreased.

Cumulatively, Group revenue for 1H2019 increased 8.4% over last year corresponding period, as our Singapore Flyer operated a full six months this year, compared to 1H2018 which was impacted by a ride suspension of over two months during the first quarter due to a technical issue then; partially offset by lower revenues from the two aquariums at Shanghai and Xiamen. Group profit for 1H2019 increased 21.8% compared to 1H2018.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said: "Singapore Flyer reported higher visitor numbers this quarter compared to 2Q18, however, both the Shanghai and Xiamen aquariums registered lower visitor numbers."

Mr Wu added: "Our cash position remains strong with a net cash balance of \$156.5 million, after paying out \$30.3 million in dividends, and making loan instalments and interest repayments of \$6.5 million this half year."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 6.2% from a year ago, in the second quarter of 2019, amid the ongoing trade dispute with the United States. For the first half of the year, the economy grew 6.3% year-on-year. Despite the economic slowdown, domestic tourism remains resilient.

In Singapore, the economy expanded by 0.1% year-on-year in 2Q2019, based on advance estimates from the Ministry of Trade and Industry, attributed mainly to the manufacturing sector. For the tourism sector, Singapore Tourism Board ("STB") statistics showed that overall visitor arrivals for January to May period increased 1.49% year-on-year to 7.77 million.

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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.