



MEDIA RELEASE

Straco reports stable earnings for 4Q amid lower revenue

Financial Highlights (S\$'mil)	3 Months to 31 December			12 Months to 31 December		
	2018	2017	% change	2018	2017	% change
Revenue	22.33	24.59	-9.2	117.88	128.44	-8.2
Profit before tax	9.26	9.32	-0.7	62.47	70.46	-11.3
Profit attributable to shareholders	6.04	6.07	-0.4	41.84	47.74	-12.4
Earnings per share (Scts)	0.70	0.71	-0.1	4.86	5.55	-12.4
Net asset value per share (Scts)	-	-	-	32.93	31.02	6.2

- Full year revenue decreased 8.2% to \$117.88 million
- Net asset value per share increased 6.2% to 32.93 cents
- Net cash of \$163.8 million, \$0.19 per share
- Proposed first and final dividend of 2.5 cent per share
- Proposed special dividend of 1.0 cent per share

SINGAPORE, 28 February 2019:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 9.2% decrease in Group revenue to \$22.33 million for the fourth quarter ended 31 December 2018 compared to 4Q2017, attributable to lower revenues contributed by the two aquariums in China and lower revenue from Singapore Flyer. Group profit was \$6.04 million for the quarter, marginally lower than that of 4Q2017.

For the quarter under review, overall visitor numbers to all the attractions decreased 3.8% from 4Q2017 to 0.946 million visitors.

Cumulatively, Group revenue for FY2018 decreased 8.2%, while Group profit registered a decrease of 12.4% compared to FY2017.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said: “Overall performance for this year was impacted mainly by the two months of ride suspension at Singapore Flyer during the first quarter. The aquarium businesses also registered marginal decrease in revenue and net profit; while Underwater World Xiamen

registered marginal growth in revenue and net profit, our Shanghai Ocean Aquarium was affected by unfavourable weather this year and tightened traffic control in October/November during the Import Expo held in Shanghai. Nevertheless, the outlook for China domestic tourism is expected to remain positive.”

Mr Wu added: “Despite the lower profitability for the year, our cash position remain strong with net cash balance of \$163.8 million at the end of 2018. To reward our shareholders, we are proposing a special dividend of 1.0 cent per share on top of the first and final dividend of 2.5 cents per share.”

The National Bureau of Statistics of China reported that China’s gross domestic product (“GDP”) grew at the slowest pace since the global financial crisis to 6.4% in the fourth quarter of 2018, weighed down by weak investment and faltering consumer confidence amid ongoing trade dispute with the United States, its largest trading partner. For the full year of 2018, the Chinese economy grew 6.6% year-on-year, the slowest rate of growth since 1990.

On the tourism sector, it was recently reported that tourism in China is upgrading into a quality-oriented development, integrating culture into tourism so that more visitors can experience the essence of local culture, and not just for scenic spots.

In Singapore, the Ministry of Trade and Industry reported that the economy grew 1.9% year-on-year in 4Q2018 and 3.2% in the whole of 2018. On the tourism sector, the Singapore Tourism Board (“STB”) reported that 2018 marked another strong year with record highs in both tourism receipts and visitor arrivals. Overall visitor arrivals grew 6.2% to 18.5 million while tourism receipts rose 1.0% to S\$27.1 billion, as STB continued to build on the momentum of the Passion Made Possible global tourism campaign and embarked on new strategic marketing partnerships to enhance visitor experiences and drive spending. For 2019, STB forecasts tourism receipts to grow 1% to 3%, and visitor arrivals to grow 1% to 4%, amidst volatility in the global political and economic environment and stiffer regional competition.

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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 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.