



MEDIA RELEASE

Straco reports 1H2020 losses amidst the global Covid-19 pandemic

Financial Highlights (S\$'mil)	6 Months to 30 June		
	2020	2019	% change
Revenue	6.23	51.01	-87.8
(Loss)/ Profit before tax	(7.72)	25.75	<i>n.m.</i>
(Loss)/ Profit attributable to shareholders	(6.65)	17.51	<i>n.m.</i>
(Loss)/ Earnings per share (Scts)	(0.77)	2.03	<i>n.m.</i>
Net asset value per share (Scts)	30.52	31.41	-2.83

- 1H revenue decreased 87.8% to \$6.23 million
- Losses of \$6.65 million for the first half
- Net cash of \$163.2 million, 19 cents per share

SINGAPORE, 13 August 2020:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 87.8% decline in Group revenue to \$6.23 million for the first half ended 30 June 2020 compared to 1H2019, amid the Covid-19 pandemic which severely impacted the tourism industry. Significantly lower revenues were registered at all three China attractions due to temporary closures in accordance with the Chinese authorities’ directive. Subsequent re-openings saw the two aquariums and Lixing Cable Car operating at restricted daily capacity as part of the precautionary measures imposed by the authorities. In Singapore, revenues from Singapore Flyer fell 97% below the corresponding period as the rides operation was suspended for nearly 6 months due to technical issue involving a spoke cable since late November 2019, and subsequently the implementation of the “Circuit Breaker” measures by the Singapore government.

Consequently, the Group incurred losses of \$6.65 million for the first half of the year, compared to a profit of \$17.51 million in 1H2019, as all the attractions reported losses.

For the half-year under review, the Group received approximately 0.3 million visitors to all its attractions, a decrease of 85.6% from 1H2019.

Commenting on the results, Straco’s Executive Chairman, Mr Wu Hsioh Kwang said: “The Group registered its first ever half year loss, with first half revenue and bottom-line

adversely impacted by the Covid-19 pandemic. While the significant decrease in revenue, due to the evolving Covid-19 pandemic was beyond our control, we had responded to the adverse operating environment and implemented various cost cutting measures since February to mitigate losses, as announced in our Business Update on 21 May 2020.”

Mr Wu added: “Despite the odds, given our healthy cash holdings of \$163.2 million net cash as at 30 June 2020, we are confident of weathering these difficult times.”

The National Bureau of Statistics of China reported that China’s gross domestic product (“GDP”) shrank by 1.6% year-on-year during the first half of 2020. Nevertheless, the world’s second largest economy has avoided a technical recession as the country’s GDP expanded by 3.2% in the second quarter of the year, reversing the first quarter’s contraction of 6.8% year-on-year when the economy took a huge hit from the coronavirus outbreak with large-scale shutdowns and quarantine implemented then to contain the epidemic. While the Chinese government has introduced measures such as fiscal spending and cuts in lending rates and banks’ reserves requirements to boost the economy, external risks and challenges remain as the evolving huge impact of the Covid-19 pandemic on the global economy continue to put its economic recovery under pressure.

Singapore’s economy contracted by 13.2% on a year-on-year basis in the second quarter of 2020, due to the Circuit Breaker (“CB”) measures to slow the spread of Covid-19 that were implemented from 7 April to 1 June, as well as weak external demand amidst a global economic downturn caused by the pandemic. In the tourism sector, the government has announced a \$45 million campaign to boost domestic demand for tourism-related products.

As the Covid-19 situation remains uncertain, the Group will continue to monitor and assess the impact on its operations.

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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.