



MEDIA RELEASE

Straco reports full year losses of S\$0.98 million

Financial Highlights (S\$'mil)	6 Months to 31 December			12 Months to 31 December		
	2020	2019	% change	2020	2019	% change
Revenue	23.33	57.83	-59.7	29.56	108.84	-72.8
Profit/ (loss) before tax	6.85	30.80	-77.7	(0.87)	56.54	<i>n.m.</i>
Profit/ (loss) attributable to shareholders	5.67	20.58	-72.4	(0.98)	38.09	<i>n.m.</i>
Earnings/ (losses) per share (Scts)	0.66	2.38	-72.3	(0.11)	4.41	<i>n.m.</i>
Net asset value per share (Scts)	-	-	-	31.52	33.43	-5.7

- Full year revenue decreased 72.8% to \$29.56 million
- Net asset value per share decreased 5.7% to 31.52 cents
- Net cash of \$154.77 million, 18.1 cents per share
- Proposed first and final dividend of 1.0 cent per share

SINGAPORE, 27 February 2021:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 59.7% decline in Group revenue to \$23.33 million for the second half ended 31 December 2020 compared to 2H2019, attributable to lower revenues contributed by its three China Attractions, Shanghai Ocean Aquarium (“SOA”), Underwater World Xiamen (“UWX”), and Lixing Cable Car (“LCC”) as visitor numbers declined amidst the Covid-19 pandemic, daily capacity restriction and precautionary measures in place; while revenues from Singapore Flyer decreased significantly with the lack of international tourists amid borders closures due to the pandemic.

Group profit was \$5.67 million for 2H2020, 72.4% lower than that of 2H2019, mainly attributable to the lower profits generated by our China attractions which decreased about 50% to 70%, partially offset by the losses incurred by Singapore Flyer, including an impairment loss of \$2.6 million recognized on its investment property.

For the second half under review, the Group received 1.01 million visitors to all its attractions, about 60% lower than 2H2019.

Cumulatively, Group revenue for FY2020 decreased 72.8% from last year FY2019 while net loss of \$0.98 million was incurred, compared to a net profit of \$38.09 million in FY2019.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said: "It has been a challenging year for our Group. But we are glad that our three China operations are able to turn in profits in the second half, reversing the losses suffered in the first half due to the temporary closures and reported positive earnings for the full year. We are also thankful for the Singapore government's supports of about \$4.85 million through job support schemes, cash grants under rental relief framework, and property tax rebates, without which the Group will be in a deeper loss."

Mr Wu added: "The Group managed to generate positive operating cashflow of about \$0.5 million for the year. Our cash position remains strong with a net cash balance of \$154.8 million at the end of 2020."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 2.3% for the full year in 2020, the lowest in four decades. Nevertheless, it is the only major economy in the world that avoided a contraction amid the Covid-19 pandemic. With strict virus containment measures and policy stimulus, the Chinese economy has recovered steadily from a steep 6.8% slump in the first quarter of 2020 when large-scale shutdowns and quarantine were implemented to contain the coronavirus outbreak, and reported year-on-year growths of 3.2%, 4.9%, and 6.5% in the subsequent quarters of 2020. Despite the resurgence of Covid-19 cases during the winter season, with many parts of the economy now stabilized and the vaccine roll-out underway, the Chinese government is cautiously optimistic about the country's full recovery.

Singapore's full year gross domestic product contracted by 5.8% in 2020 amid the disruption to economic activities caused by the Covid-19 pandemic, according to advanced estimates from the Ministry of Trade and Industry. On the tourism sector, visitor arrivals to Singapore fell by 85.7% in 2020 to 2.7 million visitors, due to the unprecedented global travel restrictions and border closures. Nevertheless, the Singapore Tourism Board ("STB") remains confident in the long-term prospects of Singapore's tourism sector. While mass international travel is unlikely to resume in a major way in 2021, STB will work closely with industry partners in preparing for recovery and building a better and more sustainable future for tourism.

As the global 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.