



## Business Update

SINGAPORE, 26 May 2023:- The Board of Directors (the “Board” or “Directors”) of Straco Corporation Limited (“Straco” or the “Company”, and together with its subsidiaries, the “Group”) would like to provide a voluntary update on the Group’s business and unaudited financial performance for the first quarter ended 31 March 2023 (“1Q2023”) to its shareholders.

Financial summary:

S\$'000	1Q2023	1Q2022	% change
Revenue	12,528	4,829	159.4
Operating profit/ (loss)	3,083	(3,140)	n.m.
Profit/ (loss) after tax	1,585	(3,278)	n.m.
Profit/ (loss) attributable to shareholders	1,603	(2,959)	n.m.

With the easing of COVID-19 curbs in China, since December 2022, the Group’s subsidiaries in China had witnessed gradual recovery in business performance amidst improvements in consumer confidence and pent-up demand for travel. There had been no suspension of services for the quarter under review, unlike in previous quarters where intermittent closures were experienced, when stringent COVID-19 measures were imposed by the authorities.

The Group’s Singapore Flyer had also been able to resume normal operations, with Singapore adjusting the Disease Outbreak Response System Condition (DORSCON) from yellow to green and the lifting of border controls. However, ride operations had been suspended for a total of 27 days in the month of March to facilitate maintenance and replacement works to be carried out.

The Group recorded significant increase in revenue for 1Q2023 compared to 1Q2022 as its three China attractions registered positive revenue growth with higher visitor numbers. Singapore Flyer also reported significantly higher revenues over corresponding period in 2022 (*when rides operations were suspended from 16 January 2022 to 14 April 2022 due to a detection of a technical issue during its routine maintenance inspection*).

Consequently, net profit of \$1.60 million was registered for 1Q2023. Positive operating cash-flow of \$3.50 million was generated for 1Q2023, compared to net cash used of \$3.16 million for 1Q2022.

The Group's financial position remains strong with net cash holdings of \$145.76 million as at 31 March 2023.

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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.