



MEDIA RELEASE

Straco reports 3Q net earnings of \$18.8 million amid lower revenue

Financial Highlights (S\$'mil)	3 Months to 30 September			9 Months to 30 September		
	2019	2018	% change	2019	2018	% change
Revenue	43.10	48.49	-11.1	94.11	95.55	-1.5
Profit before tax	28.10	31.55	-10.9	53.84	53.21	1.2
Profit attributable to shareholders	18.83	21.42	-12.1	36.35	35.80	1.5
Earnings per share (Scts)	2.18	2.49	-12.4	4.21	4.16	1.2
Net asset value per share (Scts)	-	-	-	33.35	32.19	3.6

- 3Q revenue decreased 11.1% to \$43.1 million
- 3Q earnings decreased 12.1% to \$18.8 million
- Net cash of \$180.7 million, 20.9 cents per share

SINGAPORE, 14 November 2019:- Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 11.1% decline in Group revenue to \$43.1 million for the third quarter ended 30 September 2019 compared to 3Q2018, mainly attributable to lower revenues contributed by Shanghai Ocean Aquarium (“SOA”) as visitor numbers declined amidst a challenging economic and operating environment; while revenues from Underwater World Xiamen (“UWX”) and Singapore Flyer increased marginally. The weaker Chinese Yuan this quarter also impacted on our Group’s revenue when translated to Singapore Dollars.

Group profit was \$18.8 million for the quarter, 12.1% lower than that of 3Q2018, mainly attributable to the decreased profitability of SOA.

For the quarter under review, the Group received 1.845 million visitors to all its attractions, a decrease of 8.2% from 3Q2018.

Cumulatively, Group revenue for the nine months of FY2019 decreased 1.5% from last year corresponding period, as higher revenues from our Singapore Flyer in the absence of a more than two months ride suspension as in 1Q2018 was being offset by lower revenues from the two aquariums at Shanghai and Xiamen. Group profit for the cumulative period increased 1.5% compared to corresponding period in FY2018.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said: "Despite the recent challenges facing the global economy, our group remained resilient, generating positive earnings and enjoying strong profit margins."

Mr Wu added: "We continue to generate healthy cash inflow, with net operating cash flow of \$28.8 million generated in 3Q2019. Our cash position remains strong with a net cash balance of \$180.7 million, after paying out \$32.1 million in dividends, and making loan instalments and interest repayments of \$9.7 million for the year-to-date. Net assets value per share increased 3.6% to 33.35 cents."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 6.0% year-on-year in the third quarter of 2019, dragged mainly by the manufacturing sector and weak domestic demand. For the year-to-date, the economy grew 6.2% year-on-year. Despite the economic slowdown, domestic tourism remains resilient. According to a report released by China Tourism Academy, domestic visitor arrivals are expected to grow 8.8% to reach 3.08 billion in the first half of 2019.

In Singapore, the economy expanded by 0.1% year-on-year in 3Q2019, based on advance estimates from the Ministry of Trade and Industry, as the manufacturing sector contracted 3.5% while construction and services-producing industries expanded 2.7% and 0.9% respectively. For the tourism sector, visitor arrival numbers to Singapore have been encouraging, as Singapore Tourism Board ("STB") statistics showed that overall visitor arrivals for January to August period increased 1.94% year-on-year to 12.86 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.