



## MEDIA RELEASE

### Straco reports full year losses of S\$10.8 million

Financial Highlights (S\$'mil)	6 Months to 31 December			12 Months to 31 December		
	2022	2021	% change	2022	2021	% change
<b>Revenue</b>	19.38	20.05	-3.3	28.19	41.91	-32.7
(Loss)/ profit before tax	(2.10)	1.96	<i>n.m.</i>	(11.59)	16.55	<i>n.m.</i>
(Loss)/ profit attributable to shareholders	(2.34)	1.90	<i>n.m.</i>	(10.81)	11.57	<i>n.m.</i>
(Losses)/ earnings per share (Scts)	(0.27)	0.22	<i>n.m.</i>	(1.26)	1.35	<i>n.m.</i>
Net asset value per share (Scts)	-	-	-	29.22	32.63	-10.5

- Full year revenue decreased 32.7% to \$28.19 million
- Net asset value per share decreased 10.5% to 29.22 cents
- Net cash of \$142.65 million, 16.7 cents per share
- Proposed first and final dividend of 1.0 cent per share

**SINGAPORE, 1 March 2023:-** Mainboard-listed Straco Corporation (“Straco” or “the Group”), a developer and operator of tourism-related attractions, reported a 3.3% decline in Group revenue to \$19.38 million for the second half ended 31 December 2022 compared to 2H2021, mainly attributable to lower revenues at its flagship attraction, Shanghai Ocean Aquarium as visitor numbers decreased amid strict Covid-19 measures of the Chinese municipal authorities due to its zero-Covid policy. This was mitigated by higher revenue at the Singapore Flyer on increased visitor arrivals, as Singapore progressively eased various community and border measures to normalcy.

Group losses were \$2.34 million for 2H2022, including an exchange loss of \$4.07 million recorded as the Renminbi currency weakened considerably against the Singapore Dollar during the period. A write-back of impairment losses amounting to \$1.4 million was recorded at Singapore Flyer, compared to an impairment loss of \$2.1 million recognised in 2H2021.

For the second half under review, the Group received 0.65 million visitors to all its attractions, about 10% lower than 2H2021.

Cumulatively, the Group's revenue for FY2022 decreased 32.7% from FY2021 and net loss was \$10.81 million, compared to a net profit of \$11.57 million in FY2021 which included a one-off arbitration award of \$10.4 million for an insurance claim received by Singapore Flyer.

Commenting on the results, Straco's Executive Chairman, Mr. Wu Hsioh Kwang said: "2022 was the most challenging of the pandemic years for our Group, as our China attractions saw significant decline in visitor arrivals and revenue from the preceding year. All our attractions reported net losses for the year."

Mr Wu added: "Nevertheless, we remain financially strong with a net cash balance of \$142.65 million at the end of 2022. We are therefore proposing a final dividend of 1.0 cents per share, representing our appreciation of the support shown by shareholders."

The National Bureau of Statistics of China reported that China's gross domestic product ("GDP") grew 3% for the full year of 2022, impacted by months of widespread Covid lockdowns and downturn in the property market. In March 2022, multiple cities in China began to struggle with the worst Covid-19 outbreak since early 2020, which led to the series of lockdowns in major cities. Stringent Covid-19 measures began to take a toll on the Chinese economy, with Shanghai being effectively in a city-wide lockdown that stretched from April to June, while shorter lockdowns in Shenzhen and Beijing also contributed to the economic hit.

Singapore's economy grew by 3.6% in 2022, according to the Ministry of Trade and Industry ("MTI"). On the tourism sector, the Singapore Tourism Board ("STB") had reported that Singapore recorded 6.3 million international visitor arrivals in 2022, and estimated tourism receipts of \$14 billion. STB has forecasted international visitor arrivals to hit 12 million to 14 million in 2023, with full tourism recovery expected by 2024. The government has also set aside \$500 million to boost the tourism industry, of which \$110 million will be injected for tourism recovery in 2023.

With China relaxing its stringent Covid control measures from early December last year and Singapore adjusting the Disease Outbreak Response System Condition (DORSCON) from yellow to green in February this year, we are cautiously optimistic of a rebound in visitor numbers to our attractions in 2023. However, uncertainties in the global economy remain, as impact of higher interest rates, risk of further escalations of the war in Ukraine and geopolitical tensions will continue to dampen growth. The Group will continue to monitor, adapt and manage 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.