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HAICHANG OCEAN PARK HOLDINGS LTD.

海昌海洋公園控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2255)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Haichang Ocean Park Holdings Ltd. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**” or “**Haichang**” or “**Haichang Ocean Park**”) for the year ended 31 December 2024, together with the comparative figures for 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*Year ended 31 December 2024*

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	1,818,358	1,816,842
Cost of sales		<u>(1,399,393)</u>	<u>(1,359,387)</u>
Gross profit		418,965	457,455
Other income and gains	6	103,829	306,497
Selling and distribution expenses		(170,225)	(139,222)
Administrative expenses		(719,290)	(469,794)
Reversal of impairment losses on financial and contract assets, net		450	8,091
Other expenses		(48,151)	(26,551)
Finance costs	7	<u>(346,497)</u>	<u>(322,580)</u>
LOSS BEFORE TAX	8	(760,919)	(186,104)
Income tax credit	9	<u>11,408</u>	<u>4,197</u>
LOSS FOR THE YEAR		<u>(749,511)</u>	<u>(181,907)</u>
Attributable to:			
Owners of the parent		(739,719)	(197,259)
Non-controlling interests		<u>(9,792)</u>	<u>15,352</u>
		<u>(749,511)</u>	<u>(181,907)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted			
– Loss for the year (RMB cents)		<u>(9.12)</u>	<u>(2.43)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
LOSS FOR THE YEAR	<u>(749,511)</u>	<u>(181,907)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations, net	<u>(87,787)</u>	<u>(51,601)</u>
	<u>(87,787)</u>	<u>(51,601)</u>
Items that will not be reclassified to profit or loss:		
Exchange differences on translation from functional currency to presentation currency	98,672	56,013
Gain on revaluation of property, plant and machinery	47,419	29,665
Income tax effect	<u>(11,855)</u>	<u>(7,416)</u>
	<u>134,236</u>	<u>78,262</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>46,449</u>	<u>26,661</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(703,062)</u>	<u>(155,246)</u>
Attributable to:		
Owners of the parent	(693,270)	(170,598)
Non-controlling interests	<u>(9,792)</u>	<u>15,352</u>
	<u>(703,062)</u>	<u>(155,246)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2024*

		31 December 2024	31 December
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		6,237,390	6,523,087
Investment properties		745,500	257,349
Right-of-use assets		1,592,207	1,484,515
Intangible assets		21,030	22,140
Financial assets at fair value through profit or loss		38,504	36,915
Deferred tax assets		44,896	34,136
Long-term prepayments, receivables and deposits		872,331	146,630
Properties under development		299,996	299,849
		<hr/>	<hr/>
Total non-current assets		9,851,854	8,804,621
CURRENT ASSETS			
Completed properties held for sale		7,086	22,498
Inventories		62,070	54,137
Biological assets		4,071	7,005
Trade receivables	<i>11</i>	50,622	46,209
Prepayments and other receivables		227,334	395,687
Investment properties classified as held for sale		—	374,897
Financial assets at fair value through profit or loss		71,778	109,514
Pledged deposits		—	5,912
Bank balances and cash		64,738	1,702,264
		<hr/>	<hr/>
Total current assets		487,699	2,718,123
CURRENT LIABILITIES			
Trade and bills payables	<i>12</i>	1,035,049	735,561
Other payables and accruals		755,433	681,465
Advances from customers		10,337	11,349
Interest-bearing bank and other borrowings	<i>13</i>	1,560,983	1,403,535
Lease liabilities		27,353	35,087
Government grants		13,439	13,678
Tax payable		38,024	34,827
		<hr/>	<hr/>
Total current liabilities		3,440,618	2,915,502

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NET CURRENT LIABILITIES		<u>(2,952,919)</u>	<u>(197,379)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,898,935</u>	<u>8,607,242</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	<i>13</i>	4,337,434	4,739,333
Lease liabilities		267,995	121,017
Long-term payables		23,575	771,141
Government grants		377,191	390,844
Deferred tax liabilities		77,440	66,545
Total non-current liabilities		<u>5,083,635</u>	<u>6,088,880</u>
Net assets		<u><u>1,815,300</u></u>	<u><u>2,518,362</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		2,489	2,489
Reserves		<u>1,720,271</u>	<u>2,413,541</u>
Non-controlling interests		<u>1,722,760</u>	<u>2,416,030</u>
		92,540	102,332
Total equity		<u><u>1,815,300</u></u>	<u><u>2,518,362</u></u>

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. GENERAL INFORMATION

Haichang Ocean Park Holdings Ltd. (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 21 November 2011. The registered address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

During the year ended 31 December 2024, the Group was involved in the following principal activities in the People’s Republic of China (the “**PRC**”):

- development, construction and operation of theme parks
- property development
- investment
- hotel operation
- provision of consultancy and management services

In the opinion of the director, the holding company and the ultimate holding company of the Company is Haichang Group Limited, which is incorporated in the British Virgin Islands (the “**BVI**”).

Its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 March 2014.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the currency of the primary economic environment in which the major entities of the Group operate. The functional currency of the Company is US dollar and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by International Accounting Standards Board (“**IASB**”). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

Going concern assessment

During the year ended 31 December 2024, the Group incurred a net loss of RMB749,511,000 and as of that date, the Group had net current liabilities of RMB2,952,919,000. In addition, bank and other borrowings of approximately RMB496,640,000 were overdue during the year and the Group has subsequently settled approximately RMB66,720,000 of the overdue bank borrowing. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. The directors are of the opinion that the Group will be able to meet its financial obligations as and when they fall due within the next twelve months, after taking into account the following plans and measures as below:

- (a) The Group has been actively negotiating with respective banks for the renewal of borrowings. Having considered the successful renewal of borrowings during the year 2024, the Group’s credit history and long-term relationships with the relevant banks, the directors believe that the Group will be able to renew the bank and other borrowings upon expiry. As of the date of this announcement, bank and other borrowings of approximately RMB104,147,000 have been successfully renewed;

- (b) Up to the date of this announcement, the Group has unused bank and credit facilities of a total amount of RMB4,500,000,000 valid until after 31 December 2025, of which RMB500,000,000 was granted by a financial institute and the remaining was granted by a related company which is controlled by 曲乃杰 (“Mr. Qu Naijie”);
- (c) The Group continues to monitor capital expenditure to balance and relieve cash resource to support park operations and take action to tighten cost controls over various operating expenses and is actively seeking new investment and business opportunities with an aim to attain profitable and positive cash flow operations; and
- (d) The Company has been actively negotiating with potential investors with a view to obtain further financing when necessary including but not limited to equity financing, rights issue and issuance of new convertible bonds to improve the liquidity of the Group. On 20 November 2024, the Company entered into a non-legally binding indicative term sheet with an industry fund in relation to the potential financing, pursuant to which the industry fund intends to subscribe for US\$100 million convertible bonds issued by the Company. For detail, please refer to the Company’s announcement dated 20 November 2024.

The Directors of the Company have reviewed the Group’s cash flow projections which cover a period of twelve months from 31 December 2024. The Directors are of the opinion that, taking into account the plans and measures as stated above, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group’s ability to generate adequate financing and operating cash flows in the near future, and to obtain the continuous financial support from financial institution and the related company owned by Mr. Qu Naijie.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO IFRSs

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs for the first time, which are mandatorily effective for their annual reporting period commencing 1 January 2024 for the preparation of consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
Amendments to IAS 21	Lack of Exchangeability ²
IFRS 18	Presentation and Disclosure in Financial Statements ⁴

- 1 Effective for annual periods beginning on or after a date to be determined.
- 2 Effective for annual periods beginning on or after 1 January 2025.
- 3 Effective for annual periods beginning on or after 1 January 2026.
- 4 Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised to business units based on their products and services and has three reportable operating segments as follows:

- (a) the park operation segment engages in the development, construction and operation of theme parks, development of commercial and rental properties surrounding the theme parks, management of the Group's developed and operating properties for rental income, hotel operation and the provision of services to visitors;
- (b) the property development segment engages in property development, construction and sales; and
- (c) the operation as a service segment engages in the provision of consultancy, management and recreation services such as the provision of technical support service relating to an aquarium and the operation of a small size playground.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit/loss before tax.

Segment assets exclude intangible assets, financial assets at fair value through profit or loss, trade receivables, prepayments and other receivables, deferred tax assets, pledged deposits and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities included mainly contract liabilities and lease liabilities.

No geographical information is presented as over 99% of the Group's revenue from external customers is derived from its operation in Chinese Mainland and over 99% of the Group's non-current assets are located in Chinese Mainland.

Operating segments

Year ended 31 December 2024

	Park operation RMB'000	Operation as a service RMB'000	Property operations RMB'000	Total RMB'000
Segment revenue (<i>note 5</i>)				
Sales to external customers and total revenue	<u>1,685,242</u>	<u>133,116</u>	–	<u>1,818,358</u>
Total segment revenue				<u><u>1,818,358</u></u>
Segment results	359,211	59,754	–	418,965
<i>Reconciliation:</i>				
Unallocated income and gains				103,829
Unallocated expenses				(937,216)
Finance costs				<u>(346,497)</u>
Loss before tax				<u><u>(760,919)</u></u>
Segment assets	9,383,000	164,763	299,996	9,847,759
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>491,794</u>
Total assets				<u><u>10,339,553</u></u>
Segment liabilities	277,775	228,223	–	505,998
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>8,018,255</u>
Total liabilities				<u><u>8,524,253</u></u>
Other segment information				
Depreciation and amortisation				
Unallocated				5,078
Segment	368,412	16,977	–	385,389
Capital expenditure				
Unallocated				3,968
Segment	407,667	53,562	–	461,229

Year ended 31 December 2023

	Park operation RMB'000	Operation as a service RMB'000	Property operations RMB'000	Total RMB'000
Segment revenue (<i>note 5</i>)				
Sales to external customers and total revenue	1,687,376	129,466	–	1,816,842
Total segment revenue				<u>1,816,842</u>
Segment results	444,096	13,359	–	457,455
<i>Reconciliation:</i>				
Unallocated income and gains				306,497
Unallocated expenses				(627,476)
Finance costs				<u>(322,580)</u>
Loss before tax				<u>(186,104)</u>
Segment assets	8,710,123	222,061	322,347	9,254,531
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>2,268,213</u>
Total assets				<u>11,522,744</u>
Segment liabilities	226,687	171,481	–	398,168
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>8,606,214</u>
Total liabilities				<u>9,004,382</u>
Other segment information				
Reversal of impairment losses recognised in the statement of profit or loss, net	(8,722)	–	–	(8,722)
Depreciation and amortisation				
Unallocated				8,288
Segment	361,159	35,798	–	396,957
Capital expenditure				
Unallocated				18,745
Segment	1,245,984	52,709	–	1,298,693

Information about major customers

No information about major customers is presented as no single customer from whom over 10% of the Group's revenue was derived for the year ended 31 December 2024.

5. REVENUE

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>	1,785,178	1,791,557
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	654	594
Other lease payments, including fixed payments	32,526	24,691
Subtotal	33,180	25,285
Total	1,818,358	1,816,842

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2024

Segments	Park operation <i>RMB'000</i>	Operation as a service <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Tickets sales	895,153	–	895,153
Food and beverage sales	244,358	–	244,358
Sale of merchandise	131,981	–	131,981
In-park recreation income	194,984	–	194,984
Income from hotel operations	185,586	–	185,586
Consultancy, management and recreation income	–	133,116	133,116
Total	1,652,062	133,116	1,785,178
Geographical market			
Chinese Mainland	1,652,062	133,116	1,785,178
Timing of revenue recognition			
Goods transferred at a point in time	374,000	–	374,000
Services transferred over time	1,278,062	133,116	1,411,178
Total	1,652,062	133,116	1,785,178

For the year ended 31 December 2023

Segments	Park operation <i>RMB'000</i>	Operation as a service <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Tickets sales	902,753	–	902,753
Food and beverage sales	247,577	–	247,577
Sale of merchandise	140,842	–	140,842
In-park recreation income	177,245	–	177,245
Income from hotel operations	193,674	–	193,674
Consultancy, management and recreation income	–	129,466	129,466
Total	<u>1,662,091</u>	<u>129,466</u>	<u>1,791,557</u>
Geographical market			
Chinese Mainland	<u>1,662,091</u>	<u>129,466</u>	<u>1,791,557</u>
Timing of revenue recognition			
Goods transferred at a point in time	389,811	–	389,811
Services transferred over time	<u>1,272,280</u>	<u>129,466</u>	<u>1,401,746</u>
Total	<u>1,662,091</u>	<u>129,466</u>	<u>1,791,557</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Tickets sales	226,687	51,993
Income from hotel operations	–	35
Consultancy, management and recreation income	<u>38,272</u>	<u>1,475</u>
Total	<u>264,959</u>	<u>53,503</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of merchandise

The performance obligation is satisfied upon delivery of the goods and payment by the customer simultaneously is normally required. There is no right of return or volume rebate which gives rise to variable consideration.

Ticket sales

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required, except for tickets sold through travel agencies, where payment is generally due within 30 to 90 days from the delivery of tickets.

Provision of in-park recreation services

The performance obligation is satisfied over time as services are rendered and payment by the customer in advance before provision of services is normally required.

Hotel operation

The performance obligation is satisfied over time as services are rendered and payment by the customer in advance before provision of services is normally required.

Provision of consultancy, management and recreation services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year or less, and are billed based on the milestone according to contract terms.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	<u>296,509</u>	<u>264,959</u>

All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Other income		
Government grants	37,609	58,870
Interest income	668	34,194
Income from insurance claims	6,631	10,654
Dividend income from financial assets at fair value through profit or loss	–	35,548
Others	<u>9,591</u>	<u>30,021</u>
Total other income	<u>54,499</u>	<u>169,287</u>

	2024 RMB'000	2023 <i>RMB'000</i>
Gains		
Gain on modifications of financial liabilities that do not result in derecognition	–	40,563
Fair value gains on investment properties	49,330	48,647
Gain on disposal of an associate	–	48,000
	<hr/>	<hr/>
Total gains	49,330	137,210
	<hr/>	<hr/>
Total other income and gains	103,829	306,497
	<hr/> <hr/>	<hr/> <hr/>

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Interest on bank loans and other loans	299,759	288,559
Interest on lease liabilities	8,971	9,026
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	308,730	297,585
Less: Interest capitalised	(447)	(27,453)
	<hr/>	<hr/>
Subtotal	308,283	270,132
Other finance costs:		
Increase in discounted amounts of financial liabilities arising from the passage of time	38,214	52,448
	<hr/>	<hr/>
Total	346,497	322,580
	<hr/> <hr/>	<hr/> <hr/>

8. LOSS BEFORE TAX

Loss before tax has been arrived at after charging/(crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of merchandise sold	93,650	79,845
Cost of services provided	1,305,169	1,278,891
Depreciation of property, plant and equipment	319,350	331,385
Amortisation of intangible assets	5,078	8,288
Impairment of financial assets, net:		
– (Reversal of impairment)/impairment of trade receivables, net	(9,399)	950
– Impairment/(reversal of impairment) of financial assets included in prepayments and other receivables, net	8,949	(9,041)
	<u>(450)</u>	<u>(8,091)</u>
Depreciation of right-of-use assets	66,039	65,572
Lease payments not included in the measurement of lease liabilities	574	651
Auditor's remuneration	2,600	5,830
Employee benefit expense:		
Wages and salaries	373,376	377,756
Bonuses	5,950	16,149
Pension scheme contributions (defined contribution scheme)	47,267	48,367
	<u>426,593</u>	<u>442,272</u>
Rental income	(33,180)	(25,285)
Less: Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	574	651
	<u>(32,606)</u>	<u>(24,634)</u>
Gain disposal of an associate	–	(48,000)
Foreign exchange differences, net	1,144	13,770
Provision of impairment /(reversal of impairment) for inventories	131	(631)
Impairment of property, plant and equipment and intangible assets	190,361	–
Gain on derecognition of leases	(5,077)	(62)
Changes in fair value of investment properties and investment properties classified as held for sale	(49,330)	(48,647)
Changes in fair value of biological assets	(1,008)	25
Fair value losses of financial assets at fair value through profit or loss	36,147	6,206
Loss on written off of items of property, plant and equipment, and intangible assets	25,878	1,183
	<u><u>25,878</u></u>	<u><u>1,183</u></u>

9. INCOME TAX

Provision for PRC corporate income tax has been provided at the applicable income tax rate of 25% for the year ended 31 December 2024 (31 December 2023: 25%) on the assessable profits of the Group's subsidiaries in Chinese Mainland.

No provision for Hong Kong profits tax has been made in the financial statements as no assessable profit was derived from Hong Kong during the years.

Income tax expense/(credit) in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	RMB'000
Current – Chinese Mainland:		
Charge for the year	312	2,326
Overprovision in prior years	<u>–</u>	<u>(2,750)</u>
	312	(424)
Deferred tax	<u>(11,720)</u>	<u>(3,773)</u>
Total	<u>(11,408)</u>	<u>(4,197)</u>

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount for the year is based on the loss attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,114,002,000 (2023: 8,104,147,056) in issue during the year.

The calculation of the basic loss per share amount is based on:

	2024	2023
	RMB'000	RMB'000
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	<u>(739,719)</u>	<u>(197,259)</u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	<u>8,114,002,000</u>	<u>8,104,147,056</u>

There were no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023 and therefore the amount of diluted loss per share was the same as the basic loss per share amount.

11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, net of loss allowance, is as follows:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 90 days	45,881	27,299
Over 90 days and within one year	729	1,339
Over one year	<u>4,012</u>	<u>17,571</u>
Total	<u><u>50,622</u></u>	<u><u>46,209</u></u>

12. TRADE AND BILLS PAYABLES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trade payables	935,049	1,401,731
Bills payables	<u>100,000</u>	<u>–</u>
	<u>1,035,049</u>	<u>1,401,731</u>
Less: Non-current portion	<u>–</u>	<u>(666,170)</u>
Current portion	<u><u>1,035,049</u></u>	<u><u>735,561</u></u>

The following is an aged analysis of trade payable presented based on the invoice date:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within one year	501,749	840,751
Over one year	<u>433,300</u>	<u>560,980</u>
Total	<u><u>935,049</u></u>	<u><u>1,401,731</u></u>

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024			31 December 2023		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Other loans – secured*	6-12	on demand or 2025	231,578	7-12	2024	96,065
Bank loans – secured*	3-12	on demand or 2025	357,629	3-5	2024	317,904
Current portion of long term bank loans – secured	5-8	2025	<u>971,776</u>	4-7	2024	<u>989,566</u>
Subtotal of current interest-bearing bank and other borrowings			<u>1,560,983</u>			<u>1,403,535</u>
Non-current						
Other loans – secured	7-12	2026-2028	120,020	7-12	2025-2028	164,993
Bank loans – secured	4-6	2026-2033	<u>4,217,414</u>	4-7	2025-2033	<u>4,574,340</u>
Subtotal of non-current interest-bearing bank and other borrowings			<u>4,337,434</u>			<u>4,739,333</u>
Total			<u><u>5,898,417</u></u>			<u><u>6,142,868</u></u>

* Included in the current portion of other loans, approximately RMB150,000,000 was overdue.

* Included in the current portion of bank loans, approximately RMB346,640,000 was overdue.

BUSINESS REVIEW

The Group is a leading group in China specialising in providing integrated oceanic culture-based tourism and leisure services. As at 31 December 2024, the Group owned and operated seven large- and medium-scale marine culture-based tourism and leisure projects under the brand name of “Haichang” in China. Leveraging on our accumulated experience and brand influence in operation of tourism and leisure projects for years, we have the tourism and leisure capability to externally deliver the entire process of planning, designing, construction, animal conservation, and operation and management, and have developed our tourism & leisure services and solutions business, which has won wide market recognition. Moreover, in order to improve visitors’ experience in the theme parks and product competitiveness, we also actively introduced intellectual properties (“IP(s)”) with influence and have developed our IP operation business. By continuous delivery of our tourism and leisure capabilities and extraordinary IP products across China, we expect that more consumers are able to fully enjoy our wide range of high-quality culture-based tourism and leisure consumer products. Our goal is to become a company that allows people to have fun to the fullest and create a place filled with “dream • love • joy”, which can continue to satisfy consumers’ demand for high-quality tourism and leisure products.

In 2024, benefiting from the commencement of operation of the Zhengzhou Haichang Ocean Park (“**Zhengzhou Park**”) for a full year, the Group’s revenue increased by approximately 0.1% to RMB1,818.4 million for the twelve months ended 31 December 2024 from RMB1,816.8 million for the twelve months ended 31 December 2023.

	For the twelve months ended 31 December	
	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>
Revenue by business		
Park operation	1,685,242	1,687,376
Ticket sales	895,153	902,753
In-park spendings ^(Note)	571,323	565,664
Rental income	33,180	25,285
Income from hotel operations	185,586	193,674
Income from tourism & leisure services and solutions	133,116	129,466
Total	<u>1,818,358</u>	<u>1,816,842</u>

Note: In-park spendings include revenue from sales of food and beverages, sales of merchandises and in-park recreation income.

Park Operation

As at 31 December 2024, the Group owned and operated seven tourism and leisure projects.

Park	Theme	Location	Year of opening	Site area	Scenic rating
Shanghai Haichang Ocean Park (“ Shanghai Park ”)	Polar ocean and amusement facilities	Shanghai	2018	Approximately 297,000 sq. m.	4A
Zhengzhou Park	Polar ocean and amusement facilities	Zhengzhou	2023	Approximately 425,000 sq. m.	4A
Dalian Haichang Discoveryland Theme Park (“ Discoveryland Park ”)	Amusement facilities	Dalian	2006	Approximately 467,000 sq. m.	5A
Sanya Haichang Fantasy Town	Immersive cultural and recreational complex	Sanya	2019	Approximately 233,000 sq. m.	To be determined
Dalian Laohutan Ocean Park	Polar ocean	Dalian	2002	Approximately 23,000 sq. m.	5A
Chongqing Haichang Caribbean Water Park	Water park	Chongqing	2009	Approximately 240,000 sq. m.	4A
Yantai Haichang Ocean Park	Polar ocean	Yantai	2011	Approximately 157,000 sq. m.	4A

The Zhengzhou Park opened in the second half of 2023 and began contributing to the results, which has realized operation for a full year in 2024, offsetting the decrease in revenue partially resulting from external environment. For the year ended 31 December 2024, the Group’s parks recorded a total admission attendance of approximately 10.79 million, representing an increase of 16.1% as compared with the corresponding period of 2023. The revenue of park operation segment amounted to RMB1,685.2 million.

In 2024, confronted with complicated external economic environment, our business was affected to a certain extent. Under such circumstances, we still adhered to our original aspiration of offering the most premium tourism & leisure content to consumers, and continued to enhance and improve the quality and attractiveness of our tourism & leisure assets.

For example, we successfully hosted the 2024 China Mermaid Open/International Mermaid Competition (2024年中國美人魚公開賽暨國際精英賽) in our Shanghai Park, and continuously launched novel “Mermaid Show (美人魚演藝)” at our park, enhancing our brand awareness and influence. We also launched “Wish Prosperity Worldwide and Celebrate the Chinese Year of Loong (四海昌羸龍騰中國)”, “Oceanic Spirit Season (海洋精靈季)”, “Polar Cool Festival (極地納涼節)” and other festival activities in the Zhengzhou Park, which have received widespread acclaim. The Zhengzhou Park was also the Douyin Weekly Top 1 Local Tourism Destination during the spring festival of 2024.

Our several parks and hotels were listed on the Ctrip Annual Popularity List • 2024 Asian Top 100 Parent-Children Scenic Areas and 2024 Global Top 100 Parent-Children Hotels as well as the Dianping.com 2024 Tourism Must List and Accommodation Must List, demonstrating the recognition of the market and consumers toward us.

Notably, according to the 2023 Theme Index and Museum Index: The Global Attractions Attendance Report jointly issued by AECOM and Themed Entertainment Association (TEA) in 2024, our Shanghai Park ranked among the Top 20 Theme Parks in the Asia-Pacific region, marking the acquisition of attention and recognition from international authorities by our brand.

Moreover, we deepened the construction of online channels and fully leveraged platform-based resources. For example, we were committed to the operation of our official live stream session. The major live stream sessions of various parks of the Group ranked, for several times, Top 1 on the Douyin List in terms of National Hotel and Tourism Industry and Top 1 on the Weekly/Daily National List in terms of Group Purchase. At present, Douyin platform has become our largest online sales channel. Our “Haichang Babies” also reached a broader customer base, with Baby Killer Whale Pangdouding (小虎鯨胖豆丁), Adorable Sea Lion Xiaoqian (愛笑的海獅小錢) and other animals becoming new animal celebrities, and the views of several videos about them exceeding 100 million.

During the period, we successfully bred a total of 39 large polar marine animals, including 3 cetaceans of one species, 17 pinnipeds of five species, 7 Arctic terrestrial & cute animals of two species, 10 penguins of three species, as well as 2 sharks and rays of one species. In addition, we made a breakthrough in the breeding of harbor seals for the first time.

We continuously devoted ourselves to public welfare events. Our parks were opened for worldwide families with autistic patients for free. We carried out public welfare events such as Public Companionship Running (公益融合跑), Autism-Off Public Painting Exhibition (不孤獨公益畫展) and Voluntary Visit with Scientific Interaction (科學互動義診). Moreover, an injured and stranded globicephala macrorhynchus was healed and released back to the sea after 145 days’ dedicated care and protection at Sanya Haichang Biological Conservation Center, which was the first successful rescue case of its kind in China.

We further strengthened our IP strategy in our park operation segment. In 2022, we integrated the ULTRAMAN IP into our Shanghai Park for the first time, and gradually constructed and operated ULTRAMAN-themed pavilion and entertainment area. We continued to further integrate the ULTRAMAN IP into the Shanghai Park, the Zhengzhou Park and the Discoveryland Park, which was widely loved by tourists. Our ULTRAMAN-themed hotel in the Shanghai Park recorded an occupancy rate of exceeding 70% in 2024 and even 100% from time to time during holidays and peak seasons. The ULTRAMAN-themed hotel in the Zhengzhou Park, which opened in January 2024, saw all rooms booked and occupied during the first week after opening. We will constantly introduce outstanding IPs and promote the implementation of quality IPs in other theme parks, which will greatly expand the revenue potential of our park operation segment and optimize our revenue structure.

In addition, we continuously review and streamline our tourism & leisure assets. We started to lease certain tourism & leisure assets in 2025, the contract of which was signed in 2024, in order to navigate the adverse short-term market fluctuation with definite rental. In particular, the leased assets included a water park and a commercial street in Chongqing, most of self-operated commercial streets in Sanya and a hot spring center in Yantai.

Flagship projects are well-positioned for future growth

Shanghai Park: The Shanghai Park, being our flagship project, remains in the top tier of domestic theme parks. According to the 2023 Theme Index and Museum Index: The Global Attractions Attendance Report issued by TEA/AECOM, which are industry authorities, the Shanghai Park ranked among the Top 20 Theme Parks in the Asia-Pacific region. During the sub-long holidays within the period, the Shanghai Park recorded an improvement in performance as compared to the corresponding periods last year. Admission attendance during the spring festival reached 270,000, and the highest attendance in one single day reached 52,000. In addition, the ULTRAMAN-themed hotel and resort hotel in the Shanghai Park were listed among the Ctrip 2024 Global Top 100 Parent-Children Hotels. During the period, we successfully hosted the 2024 China Mermaid Open/International Mermaid Competition, and we continued to innovate in terms of the “Mermaid Show” at our park, by which our Shanghai Park was honored with the “2024 Excellent Theme Park Project Award”.

Our Shanghai Park is located in the cultural-commercial-tourism industrial cluster of New Lingang Area, which forms industrial agglomeration effects with a number of well-known cultural and tourism experience projects in the vicinity. With our Shanghai Park, the Yaoxue Ice World, Shanghai Astronomy Museum, the Maritime Museum and Dishui Lake as core areas, New Lingang Area is designed to develop the Shanghai Dishui Lake Tourist Resort, and has been recognized as a “Shanghai Municipal Tourist Resort”. We are expecting such area to become a world-class cultural and sports tourism destination and a carrier of international consumption center in Shanghai. Our Shanghai Park, as a benchmark of marine culture experience, is expected to become one of the local core destinations of urban leisure and vacation. To this end, we will further promote the expansion of the Shanghai Park to meet the needs of more tourists for quality cultural tourism. The Phase II Project of Shanghai Park - the Oriental Ocean Project, will include an ocean discovery center, an ocean-themed hotel, a ONE PIECE-themed hotel, a hot spring resort hotel, a hot spring pavilion and parking areas, with a gross floor area of approximately 140,000 sq. m. The project is expected to open in 2026. So far, the topping-out of main structures of all pavilions and hotels has been completed.

Zhengzhou Park: The newly opened Zhengzhou Park has become another source of performance growth. During the sub-long holidays within the period, the Zhengzhou Park achieved outstanding performance. The Zhengzhou Park was the Douyin Weekly Top 1 Local Tourism Destination during the spring festival of 2024. Admission attendance during the May Day Holiday exceeded 165,000, and the highest attendance in one single day reached 38,000. All hotels recorded occupancy rates of 100% during the sub-long holidays. The ULTRAMAN-themed hotel in the Zhengzhou Park, which opened in January 2024, saw all hotel rooms booked and occupied during the first week after opening. The ocean-themed show “Meet Ocean in Henan” (《豫見海洋》) presented tourists with an extraordinary audio-visual spectacle and unprecedented immersion by the seamless fusion of the marine world and Henan’s long history in the dance of light and shadow. Zhengzhou Park is located in Zhengzhou, an important national transportation hub city in the Central Plains. The Zhengzhou City Circle is listed under the national plan, with two hours of traffic circle covering 450 million people, the potential tourist market is huge. In addition, Zhengzhou Park is situated at Zhongmu, a “City of Fantasy and Joy” with the most concentrated theme parks in China, which forms industrial agglomeration effects with theme parks such as the Jian Ye Movie Town, the Zhengzhou Fantawild Tourist Resort and the Unique Henan • Land of Dramas. The Phase II Project of Zhengzhou Park is planned to cover a total site area of approximately 76,000 sq. m., with a gross floor area of approximately 32,000 sq. m., and we will try our best to commence the operation of the project in 2025. The project includes three major themed areas, i.e., the Killer Whale Theater, the Amusement Ride Area and the Happy Water World, comprising 21 individual structures, 8 large-scale amusement rides and 6 water-based attractions. Upon completion, the Central Plains will welcome its first show of oceanic overload, the “killer whale”. Moreover, the project will accommodate several national and even global firsts, such as the world’s first multi-level carousel “Century Grand Carousel”, an upgraded rotating tower “Global Giant Tower”, and internationally renowned IP-themed restaurants.

Tourism & Leisure Services and Solutions Segment

Leveraging on our accumulated experience and brand influence in operation of tourism and leisure projects for years, we have the tourism and leisure capability to externally deliver the entire process of planning, designing, construction, animal conservation, and operation and management, and have developed our tourism & leisure services and solutions business, which has won wide market recognition.

Beijing Haichang Ocean Park Project (the “**Beijing Project**”) is situated in the cultural tourism zone of Beijing Municipal Administrative Center (Tongzhou) and is adjacent to Beijing Universal Studios and near by the exit of Gaoloujin Station on Subway Line 7. Upon completion, it will be the first world-class large-scale ocean cultural tourism project in Beijing Municipal Administrative Center and the only large-scale ocean theme park newly constructed in Beijing after 2000, with a total construction area of approximately 150,000 sq. m. and an expected total investment of approximately RMB4.2 billion. Beijing Tongzhou Urban Construction and Operation Group Co., Ltd. (北京通州城市建設運行集團有限公司) (“**Tongzhou Urban Construction Group**”) shall be responsible for the land acquisition, investment and construction of the Beijing Project, while Haichang shall be responsible for the operation and management and will consolidate the revenue from the project into its financial statements. In August 2024, the Group and Tongzhou Urban Construction Group entered into a cooperation agreement, and we completed the land acquisition for the Beijing Project during the year. Currently, we are in the process of design refinement, and have commenced the construction of foundation works. We plan to complete the topping-out of the main structure in the first half of 2026 and commence the trial operation in the first half of 2027. With the development of the Beijing Municipal Administrative Center, our Beijing Project will become a modern and fashionable tourism destination for the world and a world-class tourist resort.

Fuzhou Haichang Ocean Park Project is located in Fuzhou New Area, Fuzhou. Fuzhou New Area is one of the 19 new areas at national level. In early 2024, the Group entered into a strategic cooperation framework agreement with Fuzhou New Area Management Committee, pursuant to which a local state-funded company shall lead the investment and be responsible for the land acquisition, investment and construction, while Haichang shall be responsible for project operation and will consolidate the revenue from the project into its financial statements. At present, we are advancing commercial negotiation, contract planning and preliminary arrangement of the project with a local state-funded company. We will implement the execution of relevant contracts step-by-step. It is expected that the plan design will be completed in 2025, and the construction will commence in 2026.

In addition, our current major projects under the asset-light model also include Haichang IP Park in Ningbo Qianwan New District and Saudi Arabia Haichang Ocean Park, etc. Pipeline projects under negotiation include projects in Nanjing, Dalian and Chongqing, etc.

IP Operation Business

We have started to shape the landscape of IP operation in the market segment which we are familiar with. We seek to develop a world-class IP operation platform on which we will, in continued partnership with owners of globally influential IPs, commercialise and integrate such IPs into our theme parks, scenic spots, lifestyle hotels, commercial buildings and other on-ground consumption and entertainment premises for the establishment of a new business ecosystem with IP + new scenarios.

	Type	Size	Year of opening	
Shanghai Park	ULTRAMAN-themed pavilion	2,226 sq.m.	July 2022	Self-owned scenic areas
Shanghai Park	ULTRAMAN-themed hotel	105 rooms	January 2023	Self-owned scenic areas
Zhengzhou Park	ULTRAMAN-themed pavilion	1,330 sq.m.	September 2023	Self-owned scenic areas
Zhengzhou Park	ULTRAMAN-themed hotel	105 rooms	January 2024	Self-owned scenic areas
Discoveryland Park	ULTRAMAN-themed pavilion	4,147 sq.m.	May 2023	Self-owned scenic areas
Shanghai Park	ONE PIECE-themed pavilion	820 sq.m.	June 2023	Self-owned scenic areas
Discoveryland Park	ONE PIECE-themed pavilion	1,190 sq.m.	June 2023	Self-owned scenic areas
Dalian Forest Zoo	ULTRAMAN Snow World	6,728 sq.m.	July 2024	Non self-owned scenic areas

In addition to theme parks, we found in our operation that resort hotel is an important carrier for the implementation of IPs. In the future, we will focus on the development of the business line of IP hotels. Moreover, we will also explore IP products in different forms such as IP-themed pavilions, IP-themed stores (FEC), IP pop-up shops, IP events and carnivals. During the period, we not only realized the continuous implementation of the mature model of IP + tourism & leisure, but also explored an expansion approach of IP + popular culture. For instance, we successfully implemented Toei Animation-themed pop-up events at Beijing Joycity and Shenzhen Yitian Holiday Plaza, realizing the implementation of IP-themed pop-up events; and set up IP-themed retail stores in several cities, covering IPs such as Line Friends, Kumamon and Mini World, to expand its diversified development model.

OUTLOOK

With the Chinese government's heightened focus on cultural and tourism consumption, a number of policies to stimulate consumption have been issued intensively, creating unprecedented development opportunities for the cultural and tourism industry. Since 2024, from the Smart Tourism Innovation and Development Action Plan (《智慧旅遊創新發展行動計劃》) to the Opinions on Promoting High-Quality Development of Service Consumption (《關於促進服務消費高質量發展的意見》), a series of policies have formed a multi-pronged strategy of "boosting demand + innovating supply + optimizing environments", providing robust support for innovation and development of cultural and tourism enterprises. In addition, the 2025 Government Work Report elevated "vigorously revitalizing consumption" to the top priority of its tasks, further underscoring

the pivotal role of cultural and tourism consumption in driving high-quality economic development. Meanwhile, the goal of cultivating the cultural and tourism industry as a pillar industry has been integrated into top-level planning. The implementation of these policies will not only help restore consumer confidence and purchasing power but also invigorate tourism consumption, propel the high-quality development of the cultural and tourism industry, and lay a solid policy foundation while unlocking vast market potential for our future development.

Against this industry backdrop, we will firmly implement our existing development strategy, and are committed to becoming an international comprehensive tourism and leisure group with oceanic culture as its core. In the short term, in the following two years, the opening of Shanghai Park Phase II and Zhengzhou Park Phase II will provide definite support for performance growth. We will continue to forge a new engine for future development through an OAAS + IP operational model, providing comprehensive services and solutions for pavilions, tourism and leisure projects with oceanic characteristics, and ocean resorts across regions. In the medium term, we will implement two large-scale asset-light theme park projects in Beijing and Fuzhou. Through a business model where our partners shall be responsible for the land acquisition, investment and construction while Haichang shall be responsible for project operation and would consolidate the revenue from the project into its financial statements, we will rapidly advance OAAS business. Moreover, we will continue to introduce internationally renowned IPs to empower the operation of theme parks and OAAS business, so as to further strengthen the Company's market competitiveness by integration of IPs into various leisure and entertainment scenarios and consumption sectors, covering sectors such as IPs + hotels, pavilions, goods, catering, shows and exhibitions. In the long term, we have several ongoing OAAS projects.

The following are our next new projects with high visibility:

	Type	Expected year of opening	
Phase II Project of Zhengzhou Haichang Ocean Park	Theme park	2025	Self-owned and operated by Haichang
Shanghai Park Phase II - Oriental Ocean Project	Theme park	2026	Operated by Haichang
Beijing Haichang Ocean Park Project	Theme park	2027	Operated by Haichang
Fuzhou Haichang Ocean Park Project	Theme park	2028	Operated by Haichang
Haichang IP Park Project in Ningbo Qianwan New Area	Theme park	2029	Operated by Haichang
Saudi Arabia Haichang Ocean Park Project	Theme park	By 2030	Operated by Haichang

We believe, through the aforementioned strategic initiatives, we will continue to enhance our core competitiveness, seize industry opportunities brought by policies to stimulate consumption, and achieve sustainable growth, thereby delivering returns to shareholders and creating greater value for stakeholders.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group recorded a turnover of approximately RMB1,818.4 million (2023: approximately RMB1,816.8 million), representing an increase of approximately 0.1% when compared with last year, primarily attributable to the contribution of full-year results of the Zhengzhou Park, and the increase in the number of OAAS projects, offsetting the decrease in revenue partially resulting from external adverse impact.

	As at 31 December			
	2024		2023	
	RMB'000	%	RMB'000	%
Revenue by business				
Park operations	1,685,242	92.7%	1,687,376	92.9%
Tourism & leisure services and solutions	133,116	7.3%	129,466	7.1%
Total	<u>1,818,358</u>	<u>100.0%</u>	<u>1,816,842</u>	<u>100.0%</u>

Revenue generated from the Group's park operations segment decreased by approximately 0.13% from approximately RMB1,687.4 million in 2023 to approximately RMB1,685.2 million in 2024.

Revenue generated from the Group's tourism and leisure services and solutions segment increased by approximately 2.8% from approximately RMB129.5 million in 2023 to approximately RMB133.1 million in 2024, primarily attributable to the increase in number of projects that we provided solutions for.

Cost of Sales

The Group's cost of sales increased by approximately 2.9% from approximately RMB1,359.4 million in 2023 to approximately RMB1,399.4 million in 2024, which is attributable to the corresponding increase in cost as a result of the newly opened Zhengzhou Park experiencing its first complete operating year in 2024.

Gross Profit

For the year ended 31 December 2024, the Group's overall gross profit was approximately RMB419.0 million (2023: gross profit of approximately RMB457.5 million), with an overall gross profit margin of approximately 23.0% (2023: gross profit margin of approximately 25.2%), primarily attributable to the corresponding increase in cost as a result of the newly opened Zhengzhou Park experiencing its first complete operating year in 2024.

Other Income and Gains

The Group's other income and gains decreased by approximately 66.1% from approximately RMB306.5 million in 2023 to approximately RMB103.8 million in 2024, primarily due to the absence of gain on disposal of a related company and dividend income from financial assets during the period.

Selling and Marketing Expenses

The Group's selling and marketing expenses increased by approximately 22.3% from approximately RMB139.2 million in 2023 to approximately RMB170.2 million in 2024, primarily attributable to the corresponding increase in selling and marketing expenses as a result of the newly opened Zhengzhou Park experiencing its first complete operating year in 2024.

Administrative Expenses

The Group's administrative expenses increased by approximately 53.1% from approximately RMB469.8 million in 2023 to approximately RMB719.3 million in 2024, primarily due to the increase in administrative expenses in Zhengzhou and one-off impairment of RMB190.4 million.

Finance Costs

The Group's finance costs increased by approximately 1.4% from approximately RMB322.6 million in 2023 to approximately RMB346.5 million in 2024, primarily due to the higher amount of interest capitalized in 2023.

Income Tax Credit

The Group recorded an income tax credit of approximately RMB4.2 million in 2023 and a credit of approximately RMB11.4 million in 2024, primarily due to the effect of deferred income tax.

Loss for the Year

As a result of the foregoing, the Group realized a loss for the year ended 31 December 2024 of approximately RMB749.5 million (2023: loss of approximately RMB181.9 million). For the same period, loss attributable to owners of the parent amounted to approximately RMB739.7 million (2023: loss attributable to owners of the parent of approximately RMB197.3 million).

Non-IFRSs Measure

In order to supplement the Group's consolidated financial statements, which are presented in accordance with IFRSs, the Group uses adjusted EBITDA profit/(loss) as an additional financial measure. The Group presents the financial measure because it is used by the Group's management to evaluate the Group's financial performance by eliminating the impact of certain items that the Group does not consider to be indicative of the Group's performance during the reporting period. The Group also believes that the non-IFRSs measure provides additional information to investors and others in their understanding and evaluating the Group's results of operations in the same manner as it helps the Group's management. The non-IFRSs measure provides an unbiased presentation for investors for understanding. However, the non-IFRSs measure does not have the standardized meaning prescribed by IFRSs and therefore it may not be comparable to similar measures presented by other companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Adjusted EBITDA Profit

For the year ended 31 December 2024, adjusted EBITDA profit was RMB165.7 million (2023: approximately RMB507.5 million), representing a decrease of approximately 67.3% as compared with the previous year, primarily attributable to the year-on-year decrease in revenue of some parks and the decrease in other income and gains.

The following table sets out the adjustments of adjusted EBITDA for the periods indicated:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings/(loss) before interest and tax	(415,090)	102,282
– Depreciation and amortization	390,467	405,245
– Impairment of property, plant and equipment and intangible assets	190,361	–
– Impairment of completed properties held for sale	–	–
	<hr/>	<hr/>
Adjusted EBITDA profit	<u>165,738</u>	<u>507,527</u>

Capital Expenditure

Our major capital expenditure was primarily incurred for park construction, park renovation and facility upgrade. We funded our capital expenditure from our internal resources, bank borrowings and leases. For the years ended 31 December 2023 and 2024, the Group's capital expenditure amounted to RMB1,317.4 million and RMB798.3 million, respectively.

Liquidity and Financial Resources

As at 31 December 2024, the Group had current assets of approximately RMB487.7 million (2023: approximately RMB2,718.1 million). As at 31 December 2024, the Group had cash and bank deposits of approximately RMB64.7 million (2023: approximately RMB1,702.3 million).

Total equity of the Group as at 31 December 2024 was approximately RMB1,815.3 million (2023: approximately RMB2,518.4 million). As at 31 December 2024, total interest-bearing bank and other borrowings of the Group amounted to approximately RMB5,748.4 million (2023: approximately RMB6,142.9 million). As at 31 December 2024, total lease liabilities of the Group amounted to approximately RMB295.3 million (2023: approximately RMB156.1 million).

As at 31 December 2024, the Group had a net gearing ratio of approximately 329.4% (as at 31 December 2023: approximately 182.5%). The net liabilities of the Group included interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents.

Based on the above figures, as well as the Group's ongoing renewals with banks and cooperation with potential investors, the Group is in a position to meet its future commitments and future investments for expansion. The Board believes that the existing financial resources will be sufficient to execute future expansion plans of the Group and the Group will be able to obtain additional financing on favourable terms as and when necessary.

Capital Structure

The share capital of the Company comprised only ordinary shares for the year ended 31 December 2024.

Contingent Liabilities

Certain suppliers of the Group filed claims against the Group for overdue payments. As at 31 December 2024, certain bank accounts of the Group of RMB11,464,000 were frozen. The Directors have made full provision for payments due to the possibility of the Group taking settlement responsibility on the basis of the available evidence and legal advice taken. Save as disclosed above, the Group have no material contingent liabilities.

Foreign Exchange Rate Risk

The Group mainly operates in the PRC. Other than bank deposits denominated in foreign currencies, the Group is not exposed to any material risk related to fluctuations in foreign exchange rates. The Directors do not expect any material adverse effect on the operation of the Group arising from any fluctuation in the exchange rate of RMB.

Capital Commitments

For the year ended 31 December 2024, the Group had capital commitments of approximately RMB715.8 million (2023: RMB643.6 million), which shall be funded through a variety of means, including cash generated from operations, bank financing, etc.

Staff Policy

As at 31 December 2024, the Group had a total of 3,267 full-time employees (2023: 3,725 full-time employees). The Group offers a comprehensive and competitive remuneration, retirement scheme and benefit packages to its employees. Discretionary bonus is offered to the Group's staff depending on their work performance. The Group and its employees are required to make contributions to social insurance schemes including the pension insurance and unemployment insurance at the rates specified in relevant laws and regulations.

The Group sets its emolument policy with reference to the prevailing market conditions and individual performance and experience.

Purchase, Sale or Redemption of Listed Securities of the Company

Save as disclosed in the annual consolidated financial information, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2024.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

Corporate Governance

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the code provisions set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as its own code of corporate governance.

The Company has been in compliance with the code provisions of the CG Code throughout the year under review except as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qu Naijie acts as the Chairman of the Board and the chief executive officer of the Company. The Company considers that it is appropriate to deviate from the provision as taking the roles of both chairman and chief executive by Mr. Qu Naijie helps enhance the efficiency of the formulation and implementation of the Company’s strategies and allows the Group to grasp business opportunities in an efficient and timely manner. The Company is of the view that under the supervision of the Board and the independent non-executive Directors, a balancing mechanism exists so that the interests of the Shareholders are adequately and fairly represented.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by Directors. The Company has made specific enquiries to all Directors and all Directors have confirmed that they have strictly complied with the Model Code during the year ended 31 December 2024.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Zhu Yuchen, Mr. Wang Jun and Ms. Shen Han. Mr. Zhu Yuchen is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the annual results and annual results announcement for the year ended 31 December 2024.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by HLB Hodgson Impey Cheng Limited (“**HLB**”). Ernst & Young (“**EY**”), has resigned as the auditor of the Company with effect from 6 December 2024 due to the lack of agreement with EY on the proposed audit fee in respect of the audit of the Group’s consolidated financial statements for the year ending 31 December 2024. HLB was appointed as auditor of the Company with effect from 6 December 2024 to fill the casual vacancy following the resignation of EY.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statements of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

EXTRACT OF THE AUDITOR’S REPORT

The independent auditor has issued an unmodified audit opinion with a Material Uncertainty Related to Going Concern section in the auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2024. The following is an extract of the auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2024.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB749,511,000 for the year ended 31 December 2024 and as of that date, the Group had net current liabilities of RMB2,952,919,000. In addition, bank and other borrowings of approximately RMB496,640,000 were overdue during the year. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 December 2024.

FORWARD LOOKING STATEMENTS

This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “anticipate”, “expect”, “intend”, “may”, “will” or “should” or, in each case, their negative, or other variations or similar terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects and growth strategies, and the industry in which the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Group wishes to caution you that forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group’s results of operations, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

This annual results announcement of the Company for the year ended 31 December 2024 is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.haichangoceanpark.com. The annual report 2024 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and of the Company in due course.

APPRECIATION

Lastly, the Board would like to take this opportunity to express its sincere gratitude to the management and all fellow staff for their contributions to the development of the Group. Also, the Board would like to extend its deepest appreciation to the shareholders, business partners, customers and professional advisors of the Company for their support.

By Order of the Board
Haichang Ocean Park Holdings Ltd.
Qu Naijie
Executive Director and Chief Executive Officer

Shanghai, the People’s Republic of China, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Qu Naijie, Mr. Qu Cheng and Mr. Li Kehui; the non-executive Directors are Mr. Wang Xuguang, Mr. Go Toutou (former name Mr. Wu Tongtong) and Mr. Yuan Bing; and the independent non-executive Directors are Mr. Zhu Yuchen, Mr. Wang Jun and Ms. Shen Han.