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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Haichang Ocean Park Holdings Ltd. (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024, together with the comparative financial data as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		2024 (Unaudited) <i>RMB'000</i>	2023 (Unaudited) <i>RMB'000</i>
	<i>Notes</i>		
REVENUE	<i>5</i>	799,801	748,727
Cost of sales		<u>(604,929)</u>	<u>(545,790)</u>
Gross profit		194,872	202,937
Other income and gains		96,297	65,120
Selling and marketing expenses		(26,744)	(22,952)
Administrative expenses		(166,944)	(188,560)
Reversal of impairment/(impairment losses) on financial and contract assets, net		5,442	(807)
Other expenses		(17,813)	(2,714)
Finance costs		<u>(168,518)</u>	<u>(149,580)</u>
LOSS BEFORE TAX		(83,408)	(96,556)
Income tax (expense)/credit	<i>6</i>	<u>(3,785)</u>	<u>11,845</u>
LOSS FOR THE PERIOD		<u>(87,193)</u>	<u>(84,711)</u>
Attributable to:			
Owners of the parent		(84,226)	(88,990)
Non-controlling interests		<u>(2,967)</u>	<u>4,279</u>
		<u>(87,193)</u>	<u>(84,711)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>8</i>		
Basic and diluted			
– For loss for the period (RMB cents)		<u>(1.04)</u>	<u>(1.10)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
LOSS FOR THE PERIOD	<u>(87,193)</u>	<u>(84,711)</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(17,922)</u>	<u>(123,105)</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(17,922)</u>	<u>(123,105)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>20,252</u>	<u>121,139</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>20,252</u>	<u>121,139</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	<u>2,330</u>	<u>(1,966)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(84,863)</u>	<u>(86,677)</u>
Attributable to:		
Owners of the parent	<u>(81,896)</u>	<u>(90,956)</u>
Non-controlling interests	<u>(2,967)</u>	<u>4,279</u>
	<u>(84,863)</u>	<u>(86,677)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	30 June 2024 (Unaudited) <i>RMB'000</i>	31 December 2023 (Audited) <i>RMB'000</i>
<i>Notes</i>		
NON-CURRENT ASSETS		
Property, plant and equipment	6,509,887	6,523,087
Investment properties	303,752	257,349
Right-of-use assets	1,604,171	1,484,515
Intangible assets	19,060	22,140
Financial assets at fair value through profit or loss	53,645	36,915
Deferred tax assets	30,201	34,136
Long-term prepayments, receivables and deposits	145,375	146,630
Properties under development	299,996	299,849
	<u>8,966,087</u>	<u>8,804,621</u>
Total non-current assets		
CURRENT ASSETS		
Completed properties held for sale	22,498	22,498
Inventories	44,002	54,137
Biological assets	7,005	7,005
Trade receivables	99,513	46,209
Prepayments, other receivables and other assets	274,783	395,687
Investment properties classified as held for sale	374,897	374,897
Financial assets at fair value through profit or loss	81,808	109,514
Pledged deposits	5,878	5,912
Cash and cash equivalents	1,286,560	1,702,264
	<u>2,196,944</u>	<u>2,718,123</u>
Total current assets		
CURRENT LIABILITIES		
Trade payables	648,444	735,561
Other payables and accruals	701,719	681,465
Advances from customers	21,608	11,349
Interest-bearing bank and other borrowings	947,436	1,403,535
Lease liabilities	28,120	35,087
Government grants	12,921	13,678
Tax payable	34,732	34,827
	<u>2,394,980</u>	<u>2,915,502</u>
Total current liabilities		
NET CURRENT ASSETS	<u>(198,036)</u>	<u>(197,379)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>8,768,051</u>	<u>8,607,242</u>

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	4,852,840	4,739,333
Lease liabilities	264,564	121,017
Long-term payables	763,155	771,141
Government grants	384,833	390,844
Deferred tax liabilities	69,160	66,545
	<hr/>	<hr/>
Total non-current liabilities	6,334,552	6,088,880
	<hr/>	<hr/>
Net assets	2,433,499	2,518,362
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	2,489	2,489
Reserves	2,331,645	2,413,541
	<hr/>	<hr/>
	2,334,134	2,416,030
Non-controlling interests	99,365	102,332
	<hr/>	<hr/>
Total equity	2,433,499	2,518,362
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

2. BASIS OF PRESENTATION

As at 30 June 2024, the Group had net current liabilities of RMB198,036,000. The Group incurred a net loss of RMB87,193,000 during the six-month period ended 30 June 2024. The Directors consider that the Group has taken various measures and will have adequate funds available to enable it to operate as a going concern, after taking into account the past operating performance of the Group and the following:

- (a) subsequent to 30 June 2024, the Group has been granted new bank and other loans of RMB50,000,000, which are due after 30 June 2025;
- (b) the Group expects to be granted subsidies before 30 June 2025 for an aggregate amount of RMB214,500,000 as agreed by local government to support the Group's park operation;
- (c) up to the date of this announcement, the Group has unused bank and credit facilities of a total amount of RMB2,163,000,000 valid until after 30 June 2025, of which RMB1,000,000,000 was granted by a related company;
- (d) the major shareholder and a Director of the Company, Mr. Qu Cheng has agreed to provide continuing financial support to the Group to meet its debts and liabilities as and when they fall due for a period of no less than 12 months from 30 June 2024; and
- (e) 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 from operations.

The Directors of the Company have reviewed the Group's cash flow forecast covering a period of 12 months from the end of the reporting period ended 30 June 2024. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors believe it is appropriate to prepare the interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendment to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendment to IAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

The Group's liabilities are mainly managed on a group basis.

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

Operating segments

The following table presents revenue and loss information of the Group's operating segments for the six-month period from 1 January to 30 June 2024 and the six-month period from 1 January to 30 June 2023.

Six months ended 30 June 2024	Park operations RMB'000 (Unaudited)	Operation as a service RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 5)				
Sales to external customers and total revenue	735,866	63,935	–	799,801
Total segment revenue				<u>799,801</u>
Segment results	185,223	9,649	–	194,872
<i>Reconciliation:</i>				
Unallocated income and gains				96,297
Corporate and other unallocated expenses				(206,059)
Finance costs				<u>(168,518)</u>
Loss before tax				<u>(83,408)</u>
Six months ended 30 June 2023	Park operations RMB'000 (Unaudited)	Operation as a service RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (note 5)				
Sales to external customers and total revenue	697,599	51,128	–	748,727
Total segment revenue				<u>748,727</u>
Segment results	195,841	7,096	–	202,937
<i>Reconciliation:</i>				
Unallocated income and gains				65,120
Corporate and other unallocated expenses				(215,033)
Finance costs				<u>(149,580)</u>
Loss before tax				<u>(96,556)</u>

4. OPERATING SEGMENT INFORMATION (continued)

Operating segments (continued)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023.

30 June 2024	Park operations RMB'000 (Unaudited)	Operation as a service RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	8,845,245	194,088	322,494	9,361,827
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>1,801,204</u>
Total assets				<u><u>11,163,031</u></u>
Segment liabilities	224,777	125,189	–	349,966
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>8,379,566</u>
Total liabilities				<u><u>8,729,532</u></u>
 31 December 2023				
	Park operations RMB'000 (Audited)	Operation as a service RMB'000 (Audited)	Property development RMB'000 (Audited)	Total RMB'000 (Audited)
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><u>11,522,744</u></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><u>9,004,382</u></u>

4. OPERATING SEGMENT INFORMATION (continued)

Operating segments (continued)

Other segment information

The following table presents information of the Group's operating segments for the six-month period from 1 January to 30 June 2024 and the six-month period from 1 January to 30 June 2023.

Six months ended 30 June 2024	Park operations RMB'000 (Unaudited)	Operation as a service RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Reversal of impairment losses in the statement of profit or loss	(5,448)	–	–	(5,448)
Depreciation and amortisation				
Unallocated				3,617
Segment	194,686	18,401	–	213,087
Capital expenditure*				
Unallocated				537
Segment	102,515	21,436	–	123,951
Six months ended 30 June 2023	Park operations RMB'000 (Unaudited)	Operation as a service RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Impairment losses in the statement of profit or loss	807	–	–	807
Depreciation and amortisation				
Unallocated				4,891
Segment	175,600	11,312	–	186,912
Capital expenditure*				
Unallocated				18,606
Segment	449,352	16,611	–	465,963

* Capital expenditure consists of additions to property, plant and equipment, investment properties, intangible assets and long-term prepayments.

Information about major customers

No information about major customers is presented as there were no sales to a single customer which accounted for 10% or more of the Group's revenue for the six months ended 30 June 2024.

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	780,691	733,760
<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	594	337
Other lease payments, including fixed payments	18,516	14,630
Subtotal	19,110	14,967
Total	799,801	748,727

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

<u>Segments</u>	Park operations RMB'000 (Unaudited)	Operation as a service RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Ticket sales	376,273	–	376,273
Food and beverage sales	108,660	–	108,660
Sale of merchandise	64,251	–	64,251
In-park recreation income	89,964	–	89,964
Income from hotel operations	77,608	–	77,608
Consultancy, management and recreation income	–	63,935	63,935
Total	716,756	63,935	780,691
Geographical market			
Chinese Mainland	716,756	63,935	780,691
Timing of revenue recognition			
Goods transferred at a point in time	172,911	–	172,911
Services transferred over time	543,845	63,935	607,780
Total	716,756	63,935	780,691

5. REVENUE (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2023

<u>Segments</u>	Park operations <i>RMB'000</i> (Unaudited)	Operation as a service <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services			
Ticket sales	350,175	–	350,175
Food and beverage sales	110,384	–	110,384
Sale of merchandise	61,526	–	61,526
In-park recreation income	74,552	–	74,552
Income from hotel operations	85,995	–	85,995
Consultancy, management and recreation income	–	51,128	51,128
Total	682,632	51,128	733,760
Geographical market			
Chinese Mainland	682,632	51,128	733,760
Timing of revenue recognition			
Goods transferred at a point in time	171,910	–	171,910
Services transferred over time	510,722	51,128	561,850
Total	682,632	51,128	733,760

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2024

<u>Segments</u>	Park operations <i>RMB'000</i> (Unaudited)	Operation as a service <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue from contracts with customers			
External customers	716,756	63,935	780,691

For the six months ended 30 June 2023

<u>Segments</u>	Park operations <i>RMB'000</i> (Unaudited)	Operation as a service <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Revenue from contracts with customers			
External customers	682,632	51,128	733,760

6. INCOME TAX

The PRC corporate income tax (“CIT”) has been provided at the rate of 25% (2023: 25%) on the estimated assessable profits arising in Chinese Mainland during the period.

Income tax in the interim condensed consolidated statement of profit or loss represents:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Chinese Mainland:		
CIT charge for the period	–	5,710
Overprovision in prior years	(2,765)	(2,218)
Deferred	<u>6,550</u>	<u>(15,337)</u>
Total tax charge/(credit) for the period	<u>3,785</u>	<u>(11,845)</u>

7. DIVIDEND

No interim dividend was paid, declared or proposed during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,104,092,000 (2023: 8,104,201,502) in issue during the period.

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

	2024	2023
	(Unaudited)	(Unaudited)
<u>Losses</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation (RMB'000)	<u>(84,226)</u>	<u>(88,990)</u>
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	<u>8,104,092,000</u>	<u>8,104,201,502</u>

There were no potentially dilutive ordinary shares in issue during the periods and therefore the amounts of diluted loss per share were the same as the basic loss per share amounts.

9. 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:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 90 days	67,558	27,299
Over 90 days and within one year	21,377	1,339
Over one year	10,578	17,571
Total	<u>99,513</u>	<u>46,209</u>

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	402,723	840,751
Over 1 year	855,669	560,980
Total	1,258,392	1,401,731
Less: Non-current portion	<u>609,948</u>	<u>666,170</u>
Current portion	<u>648,444</u>	<u>735,561</u>

The trade payables are interest-free and normally settled on terms of 30 to 180 days other than those suppliers agreeing to extend the credit period for more than one year.

The fair values of trade payables approximate to their carrying amounts.

BUSINESS REVIEW

The Group is a leading group in China specialising in providing integrated oceanic culture-based tourism and leisure services. As at 30 June 2024, the Group owned and operated seven large-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 the first half of 2024, benefiting from the commencement of operation of the Zhengzhou Haichang Ocean Park, the Group’s revenue increased by approximately 6.8% to RMB799.8 million for the six months ended 30 June 2024 from RMB748.7 million for the six months ended 30 June 2023.

	For the six months ended 30 June	
	2024 <i>RMB’000</i> (Unaudited)	2023 <i>RMB’000</i> (Unaudited)
Revenue by business		
Park operation	735,866	697,599
Ticket sales	376,273	350,175
In-park spendings ^(Note)	262,875	246,462
Rental income	19,110	14,967
Income from hotel operations	77,608	85,995
Income from tourism & leisure services and solutions	63,935	51,128
Total	<u>799,801</u>	<u>748,727</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 30 June 2024, the Group owned and operated seven theme parks.

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 square metres	4A
Zhengzhou Haichang Ocean Park (“ Zhengzhou Park ”)	Polar ocean and amusement facilities	Zhengzhou	2023	Approximately 425,000 square metres	To be determined
Dalian Haichang Discoveryland Theme Park (“ Discoveryland Park ”)	Amusement facilities	Dalian	2006	Approximately 467,000 square metres	5A
Sanya Haichang Fantasy Town	Immersive cultural and recreational complex	Sanya	2019	Approximately 233,000 square metres	To be determined
Dalian Laohutan Ocean Park	Polar ocean	Dalian	2002	Approximately 23,000 square metres	5A
Chongqing Haichang Caribbean Water Park	Water park	Chongqing	2009	Approximately 240,000 square metres	4A
Yantai Haichang Ocean Park	Polar ocean	Yantai	2011	Approximately 157,000 square metres	4A

The Zhengzhou Park opened in the second half of 2023 and began contributing to the results. Benefiting from this, for the half year ended 30 June 2024, the Group’s parks recorded a total admission attendance of approximately 4.635 million, representing an increase of 21.2% as compared with the corresponding period of 2023. The revenue of park operation segment increased by 5.5% from RMB697.6 million for the six months ended 30 June 2023 to RMB735.9 million for the six months ended 30 June 2024.

We continuously deepened the construction of online channels by strategic cooperation with online travel agents platforms and commitment to self-operated channel, so as to expand our revenue streams. In the first half of this year, our GMV on Douyin platform exceeded RMB100 million, representing a year-on-year increase of more than 50%. Several projects of the Group 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. The effective construction of our self-operated channel has resulted in a significant increase in its revenue contribution percentage, making it the fourth largest online sales channel following our channels on Douyin, Meituan and Ctrip.

During the period, we comprehensively intensified our media exposure. We received continuous attention and coverage from various major media authorities and were featured in over 90 reports by CCTV and various regional TV stations. In addition, our online media exposure experienced a significant boost. We successfully created trending topics to attract traffic and reach a broader customer base. We were featured on trending topics of Weibo, Douyin and other platforms over 100 times, with a cumulative topic traffic of over 10 billion.

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, Autism-Off Public Painting Exhibition and Voluntary Visit with Scientific Interaction. 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 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 the first half and even 100% from time to time during holidays and peak seasons. We will constantly introduce outstanding IPs and promote the implementation of quality IPs in other theme parks, which will greatly broaden the revenue sources of our park operation segment and optimize our revenue structure.

Shanghai Park: The Shanghai Park, being our flagship project, has become a benchmark of marine culture experience. According to the 2023 Theme Index and Museum Index: The Global Attractions Attendance Report issued by TEA/AECOM, an industry authority, the Shanghai Park ranked among the Top 20 Theme Parks in the Asia-Pacific region. During the sub-long holidays in the first half of this year, 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. Our Shanghai Park is adjacent to Dishui Lake, located in Lin-Gang cultural, commercial and tourism cluster, with a number of well-known cultural and tourism experience projects in the vicinity, including the Yaoxue Ice World, Shanghai Astronomical Museum and the China Maritime Museum. 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. We are expanding the Phase II Project of the Shanghai Haichang Ocean Park through asset-light approach, which will include an ocean discovery center, a Haichang ocean-themed hotel, a ONE PIECE-themed hotel, a hot spring resort hotel, a hot spring pavilion and parking areas and have a total construction area of approximately 140,000 square meters, which is expected to open in 2025. The Phase II Project of Shanghai Park will be developed under the Operation As A Service ("OAAS") model, under which our partner shall be responsible for the land securing, investment and construction, while Haichang shall be responsible for the operation and management and will consolidate the revenue from the project into its financial statements.

Zhengzhou Park: The newly opened Zhengzhou Park has become a new driver of revenue growth. During the sub-long holidays in the first half of this year, the Zhengzhou Park achieved outstanding performance. 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 3,000 rooms booked and occupied during the first week after opening. Zhengzhou Park is located in Zhengzhou, an important national transportation hub city in the Central Plains, 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 Huayi Brothers Movie Town, the Zhengzhou Fantawild and the Unique Henan•Land of Dramas. So far, the main structural construction of the amusement facility area, water park and killer whale area in the Phase II Project of Zhengzhou Park has been fully completed, and the masonry construction, as well as the interior and exterior engineering are ongoing. The first show of killer whales in the inland region is expected to be hosted by the park.

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.

The Phase II Project of Shanghai Park is our first project delivered under the asset-light model. Under the model, our partner shall be responsible for the land securing, investment and construction, while Haichang shall be responsible for the operation and management and will consolidate the revenue from the project into its financial statements. This model saves burdensome capital investment, improves our operational efficiency, and also reflects the market recognition on the brand of Haichang.

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. 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 square meters 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 securing, 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 the cooperation agreement. The concept design plan of the project has been completed and the land has been listed. The construction of the project is expected to commence in this year.

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

Resort hotel is an important carrier of cultural tourism and leisure. We also operate Jinqiao • Haichang Penguin Resort Hotel through such asset-light model. The hotel opened in July 2024 and was awarded the Best Theme Hotel Prize of “GBE Hotel Design Awards 2023”. Currently, more than 20,000 rooms have been pre-sold.

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

In July 2024, the ULTRAMAN Snow World in Dalian Forest Zoo was officially opened, which realized the successful implementation of IP-themed pavilion in external scenic area and represented the first ULTRAMAN Snow World in the world.

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. In July 2024, we successfully implemented a Toei Animation-themed pop-up event at Beijing Joycity, realizing the implementation of IP-themed pop-up event and achieving the diversified development of IP business.

OUTLOOK

Cultural tourism & leisure is a relaxation of life, a release of pressure and a refresh of soul. Despite the complicated and evolving market environment, consumers' demands for premium culture-based tourism & leisure products always exist.

We believe in a promising prospect for future economy and the continuous improvement of tourism & leisure consumption level along with economic development. We are now continuously improving the competitiveness and brand strength of our culture-based tourism & leisure product, and will realize the expansion of asset-light tourism & leisure projects as soon as possible. In particular, despite the impact from the consumption environment and other factors, we managed to ensure the stable increase in our market share and ensure our popularity, which well-positioned us for the next opportunity in advance. Since 2022, we have cooperated with internationally renowned IPs, which have not only driven our in-park spendings but also improved our admission attendance in two years, indicating that IP business has become a new driver of revenue growth. A number of new projects under the OAAS model such as Beijing Haichang Ocean Park will be implemented in a few years to ensure the continuous growth of our revenue. Under such cooperation model, our partners shall be responsible for the land securing, investment and construction, while Haichang shall be responsible for the operation and will consolidate the revenue from the projects into its financial statements. So far, Zhengzhou Park is the last asset-heavy project wholly invested and owned by us, and all new projects in future will be asset-light cooperation projects under the OAAS model.

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
Phase II Project of Shanghai Haichang Ocean Park	Theme park	2025	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	2028	Operated by Haichang
Saudi Arabia Haichang Ocean Park Project	Theme park	By 2030	Operated by Haichang

In addition to large-scale new projects, we still have much growth potential, including the operation and optimization of existing tourism and leisure projects, the accelerated deep integration of IPs with theme parks, the commercialisation opportunity of IP-themed pavilions, the deliveries of local tourism and leisure projects, etc.

In addition, we also hope to deploy more focus on our operation. We will conduct further in-depth exploration on the path of capitalization to further improve our capital structure. Except for future projects which will be developed under asset-light model in principle, we will also actively pursue an innovative financing model for our existing heavy assets, releasing restricted capital to provide strong financial support for the rapid growth of the Group in future. Meanwhile, we will explore business models with value-added assets empowered by Haichang's operations.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2024, the Group recorded a turnover of approximately RMB799.8 million (same period of 2023: approximately RMB748.7 million), representing an increase of approximately 6.8% when compared with the corresponding period last year, primarily attributable to the opening of the Zhengzhou Park which started contributing to the results of the Group in the second half of 2023.

	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	RMB'000	%	RMB'000	%
Revenue by business				
Park operation	735,866	92.0%	697,599	93.2%
Tourism & leisure services and solutions	63,935	8.0%	51,128	6.8%
Total	<u>799,801</u>	<u>100.0%</u>	<u>748,727</u>	<u>100.0%</u>

Revenue generated from the Group's park operation segment increased by approximately 5.5% from approximately RMB697.6 million for the six months ended 30 June 2023 to approximately RMB735.9 million for the six months ended 30 June 2024.

Revenue generated from the Group's tourism and leisure services and solutions segment increased by approximately 25.0% from approximately RMB51.1 million for the six months ended 30 June 2023 to approximately RMB63.9 million for the six months ended 30 June 2024, primarily attributable to the opening of Changsha • Haichang Xiangjiang Joy Ocean Park in December 2023.

Cost of Sales

The Group's cost of sales increased by approximately 10.8% from approximately RMB545.8 million for the six months ended 30 June 2023 to approximately RMB604.9 million for the six months ended 30 June 2024, which is attributable to the growth in revenue.

Gross Profit

For the six months ended 30 June 2024, the Group's overall gross profit was approximately RMB194.9 million (same period of 2023: gross profit of approximately RMB202.9 million), resulting in an overall gross profit margin of 24.4% (same period of 2023: gross profit margin of 27.1%).

Gross profit of the Group's park operation segment was approximately RMB185.2 million (same period of 2023: gross profit of RMB195.8 million) and gross profit margin of the Group's park operation segment decreased from the gross profit margin of 28.1% for the six months ended 30 June 2023 to the gross profit margin of 25.2% for the six months ended 30 June 2024, primarily attributable to the lower overall gross profit margin resulted from the opening of the new project.

Other Income and Gains

The Group's other income and gains increased by 47.9% from approximately RMB65.1 million for the six months ended 30 June 2023 to approximately RMB96.3 million for the six months ended 30 June 2024, primarily attributable to the increase in fair value of investment properties.

Selling and Marketing Expenses

The Group's selling and marketing expenses increased by approximately 16.5% from approximately RMB23.0 million for the six months ended 30 June 2023 to approximately RMB26.7 million for the six months ended 30 June 2024, primarily attributable to the growth in revenue.

Administrative Expenses

The Group's administrative expenses decreased by approximately 11.5% from approximately RMB188.6 million for the six months ended 30 June 2023 to approximately RMB166.9 million for the six months ended 30 June 2024, primarily attributable to our effective cost controls.

Finance Costs

The Group's finance costs increased by approximately 12.7% from approximately RMB149.6 million for the six months ended 30 June 2023 to approximately RMB168.5 million for the six months ended 30 June 2024, primarily attributable to the increase in interesting bearing borrowings and payables and lease liabilities.

Income Tax (Expense)/Credit

The Group recorded income tax expense of approximately RMB3.8 million for the six months ended 30 June 2024, compared with income tax credit of approximately RMB11.8 million for the six months ended 30 June 2023, primarily attributable to the effects of deferred income tax.

Loss for the Period

As a result of the foregoing, the Group's loss for the period increased from approximately RMB84.7 million for the six months ended 30 June 2023 to approximately RMB87.2 million for the six months ended 30 June 2024, with net loss margin decreased from approximately 11.3% for the six months ended 30 June 2023 to approximately 10.9% for the six months ended 30 June 2024. During the same period, loss attributable to equity holders of the parent decreased from approximately RMB89.0 million for the six months ended 30 June 2023 to approximately RMB84.2 million for the six months ended 30 June 2024.

Liquidity and Financial Resources

As at 30 June 2024, the Group had current assets of approximately RMB2,196.9 million (as at 31 December 2023: approximately RMB2,718.1 million). As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB1,286.6 million (as at 31 December 2023: approximately RMB1,702.3 million).

Total equity of the Group as at 30 June 2024 was approximately RMB2,433.5 million (as at 31 December 2023: approximately RMB2,518.4 million). As at 30 June 2024, total interest-bearing bank and other borrowings of the Group amounted to approximately RMB5,800.3 million (as at 31 December 2023: RMB6,142.9 million). As at 30 June 2024, total lease liabilities of the Group amounted to approximately RMB292.7 million (as at 31 December 2023: approximately RMB156.1 million).

As at 30 June 2024, the Group had a net gearing ratio of 197.5% (as at 31 December 2023: 182.5%). The net liabilities of the Group included interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents.

As indicated in the above data, the Group has maintained stable financial resources 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 ordinary shares (the “**Shares**”) for the six months ended 30 June 2024.

CONTINGENT LIABILITIES

Certain suppliers of the Group filed claims to the People's Court of Pudong New Area in Mainland China against the Group for overdue payments of construction costs of approximately RMB17,031,000. As at 30 June 2024, certain bank accounts of the Group of RMB4,262,000 were frozen by the People's Court of Pudong New Area for property preservation. The Directors have made full provision for payments of construction costs due to the possibility of the Group taking settlement responsibility on the basis of the available evidence and legal advice taken. The Directors are of the opinion that, the interest claimed is without merits and the possibility for the Group to be subject to additional interest claims was remote and no provision has been made for the interest claimed.

FOREIGN EXCHANGE RATE RISK

The Group mainly operates in China. 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 six months ended 30 June 2024, the Group had capital commitments of approximately RMB715.8 million (31 December 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 30 June 2024, the Group had a total of 3,449 full-time employees (as at 30 June 2023: 3,382 full-time employees). The Group offers comprehensive and attractive remuneration, retirement scheme and benefit packages to its employees. Discretionary bonus may be granted to the Group's staff depending on their work performance. The Group and its employees are required to make contributions to social insurance schemes as well as to pension insurance and unemployment insurance at the rates specified in relevant laws and regulations.

The Group determines its emolument policy with reference to the prevailing market conditions and individual performance and experience. The Group also provides training and development programs to the employees from time to time to ensure their awareness and compliance with various policies and procedures of the Group.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed herein, there have been no important events in relation to the Group occurring after the reporting period ended 30 June 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in the interim condensed consolidated financial information, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2024.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders 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 of Hong Kong Limited (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 six months ended 30 June 2024 except as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer 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 code provision as taking the roles of both chairman and chief executive officer 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 a more 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 shareholders are adequately and fairly represented.

Under code provision F.2.2 of the CG Code, the chairman of the Board should attend annual general meetings of the Company and should also invite the chairmen of the audit committee (the "**Audit Committee**"), remuneration committee, nomination committee and any other committees (as appropriate) of the Company to attend. Mr. Qu Naijie, being the chairman of the Board, the chairman of the nomination committee and the chief executive officer of the Company, was absent from the annual general meeting (the "**AGM**") of the Company held on 28 June 2024 due to pre-arranged business commitments. Mr. Li Kehui, being an executive Director and senior vice president (person-in-charge) of the Company, was elected as the chairman of the AGM. Mr. Li Kehui and the chairmen of the Audit Committee, remuneration committee, risk management and corporate governance committee and independent board committee, respectively, and other members of the nomination committee of the Company attended the AGM.

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 the 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 six months ended 30 June 2024.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises three members, namely Zhu Yuchen, Wang Jun and Shen Han, all of whom are independent non-executive Directors. Mr. Zhu Yuchen is the chairman of the Audit Committee.

The Audit Committee has reviewed together with the Directors the unaudited interim financial information of the Group for the six months ended 30 June 2024.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

FORWARD LOOKING STATEMENTS

The forward-looking statements in this announcement 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 Company wishes to caution you that forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial position 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 position 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 interim results announcement of the Company for the six months ended 30 June 2024 is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.haichangoceanpark.com.

APPRECIATION

Lastly, on behalf of the Board, Qu Naijie (being the Chairman of the Board) would like to take this opportunity to express his gratitude to the management and all fellow staff members for their contributions to the Group's development. Also, Mr. Qu would like to extend his deepest appreciation to the shareholders, business partners, customers and professional advisers for their support and confidence in bringing the Group a more prosperous and fruitful future.

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, 30 August 2024

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. Wang Jun, Mr. Zhu Yuchen and Ms. Shen Han.