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 2022

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 2022, together with the comparative figures for 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
Year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
REVENUE	5	**792,988**	2,460,200
Cost of sales		**(1,071,716)**	(1,738,935)
Gross (loss)/profit		**(278,728)**	721,265
Other income and gains	5	**181,525**	2,672,145
Selling and distribution expenses		**(85,029)**	(225,372)
Administrative expenses		**(606,375)**	(1,147,568)
Impairment losses on financial and contract assets, net		**(76,362)**	(19,444)
Other expenses		**(238,556)**	(233,147)
Finance costs	6	**(314,864)**	(489,871)
Share of losses of an associate		**–**	(80,839)
(LOSS)/PROFIT BEFORE TAX		**(1,418,389)**	1,197,169
Income tax credit/(expense)	7	**9,531**	(362,931)
(LOSS)/PROFIT FOR THE YEAR		**(1,408,858)**	834,238
Attributable to:			
Owners of the parent		**(1,395,911)**	844,851
Non-controlling interests		**(12,947)**	(10,613)
		(1,408,858)	834,238
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted			
– (Loss)/profit for the year (RMB cents)		**(17.31)**	10.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	2022 *RMB'000*	2021 *RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(1,408,858)**	834,238
OTHER COMPREHENSIVE (LOSS)		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(278,431)**	61,354
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(278,431)**	61,354
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**266,765**	(65,448)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**266,765**	(65,448)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(11,666)**	(4,094)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(1,420,524)**	830,144
Attributable to:		
Owners of the parent	**(1,407,577)**	840,757
Non-controlling interests	**(12,947)**	(10,613)
	(1,420,524)	830,144

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	Notes	**31 December 2022** **RMB'000**	31 December 2021 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,166,069**	4,886,671
Investment properties		**122,477**	802,800
Right-of-use assets		**1,476,716**	1,448,228
Intangible assets		**11,683**	12,385
Financial assets at fair value through profit or loss		**54,900**	159,363
Deferred tax assets		**14,263**	20,147
Long-term prepayments, receivables and deposits		**217,648**	490,071
Properties under development		**299,789**	299,789
Total non-current assets		**7,363,545**	8,119,454
CURRENT ASSETS			
Completed properties held for sale		**22,498**	44,308
Inventories		**31,743**	27,513
Biological assets		**6,980**	6,707
Trade receivables	*9*	**47,597**	67,051
Contract assets		**–**	52
Prepayments and other receivables		**990,898**	240,609
Investment properties classified as held for sale		**387,836**	–
Financial assets at fair value through profit or loss		**110,120**	–
Pledged deposits	*10*	**5,075**	5,000
Cash and cash equivalents	*10*	**1,244,633**	3,206,658
Total current assets		**2,847,380**	3,597,898
CURRENT LIABILITIES			
Trade payables	*11*	**649,989**	598,006
Other payables and accruals		**444,302**	508,370
Advances from customers		**10,847**	16,904
Interest-bearing bank and other borrowings	*12*	**1,461,220**	1,925,907
Lease liabilities		**25,833**	16,520
Government grants		**15,329**	21,890
Tax payable		**33,459**	273,086
Total current liabilities		**2,640,979**	3,360,683
NET CURRENT ASSETS		**206,401**	237,215
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,569,946**	8,356,669

	Notes	**31 December 2022** ***RMB'000***	31 December 2021 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*12*	**3,687,947**	3,268,061
Lease liabilities		**92,730**	43,845
Long-term payables		**666,761**	728,495
Government grants		**403,152**	414,353
Deferred tax liabilities		**43,029**	71,446
Total non-current liabilities		**4,893,619**	4,526,200
Net assets		**2,676,327**	3,830,469
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2,489**	2,451
Reserves		**2,621,268**	3,764,461
		2,623,757	3,766,912
Non-controlling interests		**52,570**	63,557
Total equity		**2,676,327**	3,830,469

NOTES TO FINANCIAL STATEMENTS

31 December 2022

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 21 November 2011. The registered office of the Company is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

During the year ended 31 December 2022, 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 directors, 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**").

2.1 BASIS OF PRESENTATION

The Group incurred a net loss of RMB1,408,858,000 during the year ended 31 December 2022. 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) all the Group's parks have gradually returned to normal operation and it is expected that the revenue will be gradually recovered;

(b) subsequent to 31 December 2022, the Group has been granted bank and other loans of RMB31,509,000 which are due after 31 December 2023 from certain banks and financial institutions;

(c) the Group expects to be granted subsidies before 31 December 2023 for an aggregate amount of RMB102,000,000 as agreed by local government to support the Group's park operation;

(d) subsequent to 31 December 2022, a related company has advanced RMB93,000,000 to the Group under its credit facilities of RMB1,000,000,000 granted to the Group;

(e) subsequent to 31 December 2022, the Group has been granted additional credit facilities of RMB400,000,000 from a financial institution valid until after 31 December 2023;

(f) 曲程 ("**Mr. Qu Cheng**"), the major shareholder and a director of the Company, has agreed to provided 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 31 December 2022; and

(g) 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.

The directors of the Company have reviewed the Group's cash flow forecast covering a period of twelve months from the end of the reporting period ended 31 December 2022. 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 consolidated financial statements of the Group for the year ended 31 December 2022 on a going concern basis.

Should the going concern assumption be inappropriate due to the impact from inadequate financial and operating supports from the Group's financial institutions, suppliers, local government and a related company, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that 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 the consolidated financial statements.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, investment properties classified as held for sale, biological assets and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the financial statements of the year ended 31 December 2022.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 Inventories, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

(d) *Annual Improvements to IFRS 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments:* clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. The amendment did not have any impact on the financial position or performance of the Group.

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, contract assets, prepayments and other receivables, deferred tax assets, amounts due from related companies, 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 segment information is presented as over 99% of the Group's revenue from external customers is derived from its operation in Mainland China and over 99% of the Group's non-current assets are located in Mainland China.

Operating segments

Year ended 31 December 2022

	Park operation *RMB'000*	Operation as a service *RMB'000*	Property development *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*				
Sales to external customers and total revenue	**748,941**	**44,047**	**–**	**792,988**
Revenue				**792,988**
Segment results	**(285,602)**	**6,874**	**–**	**(278,728)**
Reconciliation:				
Unallocated income and gains				**181,525**
Unallocated expenses				**(1,006,322)**
Finance costs				**(314,864)**
Loss before tax				**(1,418,389)**
Segment assets	**7,316,913**	**135,320**	**322,287**	**7,774,520**
Reconciliation:				
Corporate and other unallocated assets				**2,436,405**
Total assets				**10,210,925**
Segment liabilities	**51,928**	**81,383**	**–**	**133,311**
Reconciliation:				
Corporate and other unallocated liabilities				**7,401,287**
Total liabilities				**7,534,598**
Other segment information				
Impairment losses recognised in the statement of profit or loss, net	**225,102**	**–**	**21,810**	**246,912**
Depreciation and amortization				
Unallocated				**3,034**
Segment	**337,999**	**8,988**	**–**	**346,987**
Capital expenditure*				
Unallocated				**4,437**
Segment	**787,884**	**11,817**	**–**	**799,701**

Year ended 31 December 2021

	Park operation *RMB'000*	Operation as a service *RMB'000*	Property development *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*				
Sales to external customers and total revenue	1,824,162	51,810	584,228	2,460,200
Revenue				2,460,200
Segment results	401,301	22,283	297,681	721,265
Reconciliation:				
Unallocated income and gains				2,672,145
Unallocated expenses				(1,625,531)
Share of loss of an associate	(80,839)	–	–	(80,839)
Finance costs				(489,871)
Profit before tax				1,197,169
Segment assets	7,512,985	101,501	344,097	7,958,583
Reconciliation:				
Corporate and other unallocated assets				3,758,769
Total assets				11,717,352
Segment liabilities	129,820	3,503	–	133,323
Reconciliation:				
Corporate and other unallocated liabilities				7,753,560
Total liabilities				7,886,883
Other segment information				
Share of loss of an associate	(80,839)	–	–	(80,839)
Impairment losses recognised in the statement of profit or loss, net	590,623	–	–	590,623
Depreciation and amortization				
Unallocated				3,138
Segment	480,871	3,355	–	484,226
Capital expenditure*				
Unallocated				1,587
Segment	202,588	–	–	202,588

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

Information about major customers

No information about major customers is presented as no single customer from whom over 10% or more of the Group's revenue was derived for the year ended 31 December 2022.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers	**769,217**	2,384,228
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	**372**	383
Other lease payments, including fixed payments	**23,399**	75,589
	23,771	75,972
	792,988	2,460,200

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2022

Segments	**Park operation** *RMB'000*	**Operation as a service** *RMB'000*	**Property development** *RMB'000*	**Total** *RMB'000*
Types of goods or services				
Tickets sales	**348,340**	**–**	**–**	**348,340**
Food and beverage sales	**135,851**	**–**	**–**	**135,851**
Sale of merchandise	**55,916**	**–**	**–**	**55,916**
In-park recreation income	**84,529**	**–**	**–**	**84,529**
Income from hotel operations	**100,534**	**–**	**–**	**100,534**
Consultancy, management and recreation income	**–**	**44,047**	**–**	**44,047**
Total revenue from contracts with customers	**725,170**	**44,047**	**–**	**769,217**
Geographical market				
Mainland China	**725,170**	**44,047**	**–**	**769,217**
Timing of revenue recognition				
Goods transferred at a point in time	**193,216**	**–**	**–**	**193,216**
Services transferred over time	**531,954**	**44,047**	**–**	**576,001**
Total revenue from contracts with customers	**725,170**	**44,047**	**–**	**769,217**

For the year ended 31 December 2021

Segments	Park operation *RMB'000*	Operation as a service *RMB'000*	Property development *RMB'000*	Total *RMB'000*
Types of goods or services				
Tickets sales	1,161,227	–	–	1,161,227
Property sales	–	–	584,228	584,228
Food and beverage sales	228,146	–	–	228,146
Sale of merchandise	88,737	–	–	88,737
In-park recreation income	163,344	–	–	163,344
Income from hotel operations	106,736	–	–	106,736
Consultancy, management and recreation income	–	51,810	–	51,810
Total revenue from contracts with customers	1,748,190	51,810	584,228	2,384,228
Geographical market				
Mainland China	1,748,190	51,810	584,228	2,384,228
Timing of revenue recognition				
Goods transferred at a point in time	319,132	–	584,228	903,360
Services transferred over time	1,429,058	51,810	–	1,480,868
Total revenue from contracts with customers	1,748,190	51,810	584,228	2,384,228

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:

	2022 ***RMB'000***	2021 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Properties sales	**–**	584,228
Tickets sales	**129,424**	129,510
Income from hotel operations	**396**	735
Consultancy, management and recreation income	**3,503**	2,853
	133,323	717,326

(ii) Performance obligations

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

Property sales

The performance obligation is satisfied upon obtaining the physical possession of the completed property by the customer and payment in advance is normally required.

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 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:

	2022	2021
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**53,503**	133,323

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.

	2022	2021
	RMB'000	*RMB'000*
Other income		
Government grants	**54,088**	142,284
Interest income	**19,453**	3,593
Income from insurance claims	**22,746**	21,291
Others	**29,148**	13,425
	125,435	180,593
Gains		
Gain on modifications of financial liabilities that do not result in derecognition	**56,090**	17,748
Gain on disposal of subsidiaries	**–**	2,473,804
	56,090	2,491,552
	181,525	2,672,145

6. FINANCE COSTS

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

	2022 *RMB'000*	2021 *RMB'000*
Interest on bank loans and other loans	**290,798**	486,758
Interest on lease liabilities	**4,370**	3,113
Total interest expense on financial liabilities not at fair value through profit or loss	**295,168**	489,871
Less: Interest capitalized	**4,556**	–
	290,612	489,871
Other finance costs:		
Increase in discounted amounts of financial liabilities arising from the passage of time	**24,252**	–
	314,864	489,871

7. 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 2022 (31 December 2021: 25%) on the assessable profits of the Group's subsidiaries in Mainland China.

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.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (the "**LAT**") effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interests on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included in tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

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

	2022 *RMB'000*	2021 *RMB'000*
Current – Mainland China:		
Charge for the year	**2,513**	350,778
Under-provision in prior years	**10,489**	4,064
LAT	**–**	67,263
	13,002	422,105
Deferred tax	**(22,533)**	(59,174)
Total tax (credit)/charge for the year	**(9,531)**	362,931

A reconciliation of the tax expense applicable to (loss)/profit before tax using the statutory rate to the tax expense at the effective rate is as follows:

	2022	2021
	RMB'000	*RMB'000*
(Loss)/profit before tax	**(1,418,389)**	1,197,169
Tax at the statutory income tax rate	**(354,597)**	299,292
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	**(3,806)**	22,256
Effect of withholding tax on the disposal of subsidiaries	**–**	158,514
Adjustments in respect of current tax of prior years	**10,489**	4,064
Effect of different tax rates of subsidiaries operating in other jurisdictions	**18,699**	(204,588)
Income not subject to tax	**(105)**	(411,904)
Expenses not deductible for tax	**5,280**	20,405
Tax losses not recognised	**257,908**	247,188
Temporary difference not recognised	**56,601**	177,257
Provision for LAT	**–**	67,263
Tax effect on LAT	**–**	(16,816)
Tax charge for the year at the effective rate	**(9,531)**	362,931

Tax payables in the consolidated statement of financial position represent:

	31 December 2022	31 December 2021
	RMB'000	*RMB'000*
PRC corporate income tax	**33,459**	273,086

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,063,334,444 (2021: 8,000,000,000) in issue during the year.

The calculation of the basic (loss)/earnings per share amount is based on:

	2022	2021
	RMB'000	*RMB'000*
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**(1,395,911)**	844,851

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**8,063,334,444***	8,000,000,000*

* The number of issued shares in 2021 has been adjusted for the effect of subdivision of every one share of the Company with par value of US$0.0001 of the Company into two subdivided shares of US$0.00005 each on 10 November 2022.

There were no potentially dilutive ordinary shares in issue during the year ended 31 December 2022 and therefore the amounts of diluted loss per share were the same as the basic loss per share amounts.

9. TRADE RECEIVABLES

	31 December 2022	31 December 2021
	RMB'000	*RMB'000*
Trade receivables	**103,878**	111,550
Less: Provision for doubtful debts	**56,281**	44,499
	47,597	67,051

The Group's trading terms with its institutional customers and lessees are mainly on credit. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. At 31 December 2022, the Group had certain concentrations of credit risk as 34.76% of the Group's trade receivables were due from one of the Group's debtors (31 December 2021: 29.75% from two of the Group's debtors). Trade receivables are non-interest-bearing.

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 2022	31 December 2021
	RMB'000	*RMB'000*
Within 90 days	**9,436**	29,447
Over 90 days and within one year	**6,534**	4,627
Over one year	**31,627**	32,977
	47,597	67,051

The movements in the loss allowance for impairment of trade receivables are as follows:

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
At beginning of year	**44,499**	90,404
Impairment losses, net	**32,198**	15,060
Disposal of subsidiaries	**–**	(58,877)
Amount written off as uncollectible	**(20,416)**	(2,088)
At end of year	**56,281**	44,499

The increase in the loss allowance was due to the following significant changes in the gross carrying amount:

(i) Increase in the loss allowance of RMB32,198,000 as a result of allowance provided for certain trade receivables (2021: decrease in the loss allowance of RMB58,877,000 as a result of disposal of subsidiaries); and

(ii) Decrease in the loss allowance of RMB20,416,000 (2021: RMB2,088,000) as a result of the write-off of certain trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2022

		Ageing		
	Within 90 days	**Over 90 days and within one year**	**Over one year**	**Total**
Expected credit loss rate	**8.22%**	**34.49%**	**80.22%**	**54.18%**
Gross carrying amount (RMB'000)	**26,665**	**17,173**	**60,040**	**103,878**
Expected credit losses (RMB'000)	**2,191**	**5,923**	**48,167**	**56,281**

As at 31 December 2021

		Ageing		
	Within 90 days	Over 90 days and within one year	Over one year	Total
Expected credit loss rate	6.00%	16.19%	55.85%	39.89%
Gross carrying amount (RMB'000)	31,328	5,521	74,701	111,550
Expected credit losses (RMB'000)	1,881	894	41,724	44,499

10. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Cash and bank balances	**1,249,708**	3,211,658
Less: Pledged for interest-bearing bank loans	**5,075**	5,000
Unpledged cash and cash equivalents	**1,244,633**	3,206,658
Less: Frozen or restricted cash and bank balances*	**18,938**	4,053
Unpledged, unfrozen and unrestricted cash and cash equivalents	**1,225,695**	3,202,605

* At 31 December 2022, certain bank accounts of the Group of RMB18,938,000 (2021: RMB4,053,000) were frozen by certain court for preservation.

At the end of the reporting period, the cash and bank balances and the time deposits of the Group denominated in RMB amounted to RMB1,241,317,000 (31 December 2021: RMB3,209,862,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The cash and bank balances and pledged bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged bank balances approximate to their fair values.

11. TRADE PAYABLES

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Within one year	**374,345**	199,925
Over one year	**802,493**	897,000
	1,176,838	1,096,925
Less: non-current portion	**526,849**	498,919
Current portion	**649,989**	598,006

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 Group has been granted extended credit terms by certain of the Group's suppliers and service providers for RMB526,849,000, after discounting, for repayment of trade payables to be due after 31 December 2022.

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

12. INTEREST-BEARING BANK AND OTHER BORROWINGS AND LEASE LIABILITIES

	31 December 2022			31 December 2021		
	Effective Interest rate (%)	**Maturity**	***RMB'000***	Effective Interest rate (%)	Maturity	*RMB'000*
Current						
Other loans – secured*	**7-12**	**2023**	**61,189**	6-9	2022	458,058
Bank loans – secured	**3-7**	**2023**	**442,042**	4-7	2022	405,500
Current portion of non-current bank loans – secured	**4-7**	**2023**	**957,989**	4-5	2022	1,062,349
Subtotal of interest-bearing bank and other borrowings			**1,461,220**			1,925,907
Lease liabilities	**5**	**2023**	**25,833**	5	2022	16,520
			1,487,053			1,942,427
Non-current						
Other loans – secured*	**7**	**2024-2025**	**64,591**			–
Bank loans – secured	**4-7**	**2024-2030**	**3,623,356**	4-5	2023-2030	3,268,061
Subtotal of interest-bearing bank and other borrowings			**3,687,947**			3,268,061
Lease liabilities	**5**	**2024-2032**	**92,730**	5	2023-2027	43,845
			3,780,677			3,311,906
			5,267,730			5,254,333

* The Group entered into certain sale and leaseback agreements on certain of its property, plant and equipment and investment properties. These agreements were in substance accounted for as financing arrangements to obtain secured loans with an aggregate amount of RMB95,780,000 at 31 December 2022 (31 December 2021: RMB91,603,000). The carrying value of the Group's underlying assets at 31 December 2022 under the aforesaid arrangements was RMB68,830,000 (31 December 2021: RMB396,634,000).

海昌（中國）有限公司, a subsidiary of the Company, entered into agreements with a financial institution which was guaranteed by Mr. Qu Cheng, a director of the Company, for certain borrowings of RMB30,000,000 to the Group at 31 December 2022 (31 December 2021: Nil).

大連海昌旅遊集團有限公司 ("**Dalian Tourism**"), a subsidiary of the Company, entered into agreements with financial institutions by pledging its 58.3% equity in 大連老虎灘海洋公園有限公司 ("**LHT**") for certain borrowings of RMB366,455,000 granted to the Group at 31 December 2021.

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**1,400,031**	1,467,849
In the second year	**1,122,026**	462,384
In the third to fifth years, inclusive	**1,726,528**	1,540,255
Beyond five years	**774,802**	1,265,422
	5,023,387	4,735,910
Other borrowings repayable:		
Within one year or on demand	**61,189**	458,058
In the second year	**33,542**	–
In the third to fifth years, inclusive	**31,049**	–
	125,780	458,058
Lease liabilities:		
Within one year or on demand	**25,833**	16,520
In the second year	**25,940**	14,771
In the third to fifth years, inclusive	**43,551**	28,091
Beyond five years	**23,239**	983
	118,563	60,365
	5,267,730	5,254,333

The Group's bank and other loans were secured by the pledges of the Group's assets with carrying values at 31 December 2022 and 2021 as follows:

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Theme park's buildings and machinery	**1,053,871**	1,698,578
Right-of-use assets	**825,641**	814,204
Investment properties	**–**	504,800
Pledged bank balances	**5,075**	5,000
Investment properties classified as held for sale	**244,800**	–

The Group pledged its 100% equity in Chongqing Caribbean for certain borrowings of RMB150,000,000 granted to the Group at 31 December 2022 (31 December 2021: RMB150,000,000).

Dalian Tourism, a subsidiary of the Company, pledged its 58.3% equity in LHT for certain bank borrowings of RMB350,678,000 granted to the Group at 31 December 2022.

In addition to the pledges of the Group's assets, 大連海昌集團有限公司 ("**Dalian Haichang Group**"), a related company, provided guarantees for certain borrowings of RMB962,889,000 granted to the Group at 31 December 2022 (31 December 2021: RMB1,019,165,000).

In addition to the pledges of the Group's assets, 曲乃杰 ("**Mr. Qu**", an executive director of the Company), 程春萍 ("**Ms. Cheng**", spouse of Mr. Qu), Mr. Qu Cheng (an executive director of the Company) and 楊迪 ("**Ms. Yang**", spouse of Mr. Qu Cheng) provided personal guarantees for certain borrowings of RMB4,043,327,000 granted to the Group at 31 December 2022 (31 December 2021: RMB2,887,835,000).

All the Group's borrowings are denominated in RMB.

The bank and other borrowings of the Group bear interest at floating rates, except for bank and other borrowings of RMB3,560,894,000 as at 31 December 2022 (2021: RMB3,451,726,000) that bear interest at fixed rates.

13. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in the financial statements, the Group had no other subsequent events after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading platform in China specialising in providing integrated oceanic culture-based tourism and leisure services. As at 31 December 2022, the Group owned and operated six large-scale marine culture-based theme parks under the brand name of "Haichang" and had one theme park under construction in China. While improving visitors' experience and product offerings in theme parks, the Group gradually diversified its business to tourism and leisure services and solutions and intellectual property ("**IP**") operation new consumption. As we continue to deliver our tourism and leisure products and premium IP merchandises across China, 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 the most valuable company in the cultural tourism industry in China and hope to create an amusement park filled with "dream, love, joy", which can continue to satisfy the increasing demand for high-quality tourism and leisure products for consumers.

Looking back at 2022, as affected by the resurgence of the COVID-19 pandemic, the Group has complied with the prevention and control guidance and requirements imposed by relevant local authorities, such as phased closures of the parks and crowd restrictions. Coupled with the disposal of certain parks in late 2021, the Group's revenue decreased to RMB793.0 million for the year ended 31 December 2022 from RMB2,460.2 million for the year ended 31 December 2021 (including the revenue generated from existing assets of RMB1,039.4 million for the year ended 31 December 2021). The Group recorded a gross loss of RMB278.7 million, an adjusted EBITDA loss of RMB423.2 million and an adjusted net loss attributable to shareholders of RMB1,059.1 million, respectively, for the year ended 31 December 2022.

	As at 31 December	
RMB'000	**2022**	2021
Revenue by business		
Park operation	**748,941**	1,824,162
Ticket sales	**348,340**	1,161,227
In-park spendings[(1)]	**276,296**	480,227
Rental income	**23,771**	75,972
Income from hotel operations	**100,534**	106,736
Income from tourism & leisure services and solutions	**44,047**	51,810
Property sales	**–**	584,228
Total	**792,988**	2,460,200

Note: (1) In-park spendings include revenue from sales of food and beverages, sales of merchandises, and in-park recreation income.

RMB'000	As at 31 December **2022**	2021
Revenue by business segment		
The remaining parks and solutions business	**792,988**	1,039,374
The disposed park operations	**–**	836,598
Property sales	**–**	584,228
Total	**792,988**	2,460,200

PARK OPERATION

As at 31 December 2022, the Group owned and operated 6 theme parks and 1 park under construction.

Park	Theme	Location	Year of opening	Site area	Scenic rating
Shanghai Haichang Ocean Park (the "Shanghai Project")	Polar ocean and amusement facilities	Shanghai	2018	Approximately 297,000 square metres	4A
Zhengzhou Haichang Ocean Park (the "Zhengzhou Project")	Polar ocean and amusement facilities	Zhengzhou	Expected to open in 2023	Approximately 425,000 square metres	To be determined
Dalian Haichang Discoveryland Theme Park	Amusement facilities	Dalian	2006	Approximately 71,000 square metres	5A
Sanya Haichang Fantasy Town	Immersive cultural and recreational complex	Sanya	2019	Approximately 98,000 square metres	To be determined
Dalian Laohutan Ocean Park	Polar ocean	Dalian	2002	Approximately 38,000 square metres	5A
Chongqing Haichang Caribbean Water Park	Water park	Chongqing	2009	Approximately 65,000 square metres	4A
Yantai Haichang Ocean Park	Polar ocean	Yantai	2011	Approximately 32,000 square metres	4A

In the first half of 2022, due to the resurgence of the COVID-19 pandemic, the Group strictly complied with the prevention and control guidance and requirements imposed by relevant local authorities, and carried out phased closures of the parks and crowd restrictions. Despite a brief recovery and rebound in our parks during the summer vacation of 2022, we were still under the influence of the COVID-19 pandemic in the second half of the year. Therefore, throughout 2022, our theme park segment experienced a sharp decline in the admission attendance. The decline was particularly acute for the Shanghai Haichang Ocean Park ("**Shanghai Park**"), which is our landmark. The Shanghai Park opened only for 280 days in 2022, as compared to 364 days and 289 days in 2021 and 2020, respectively. Other parks also faced severe degrees of closures. Therefore, the Group's revenue in 2022 was materially and adversely affected by such unfavourable circumstances.

In spite of the challenging external environment in 2022, we still endeavoured to enhance visitors' experience and product quality. We implemented IP strategy in 2022. By our unremitting efforts and strong execution, the first world-class Ultraman IP themed entertainment pavilion was debuted in the Shanghai Park on 30 July 2022, covering the Ultraman-themed exhibition area, the Ultraman Frozen Theatre, the Ultraman-themed restaurant, the Ultraman Shop of Light, the Ultraman amusement centre and the Ultraman Electronic Music Plaza. At the same time, in January 2023, the world's first Ultraman-themed hotel was officially opened in the Shanghai Park. Other reforms and upgrades included the introduction of national tide culture into the Group's grand parade of Sea and Land Mecha (海陸機甲) IPs, the world's first parade of a group of huge mechanical beasts which pioneered in high-tech parade performance in scenic spots. We continued to optimize the catering of our park, such as creating an ocean immersive restaurant in the Shanghai Park, and actively pursued to be included on the Black Pearl List.

At the end of 2022 when the market progressively restored to normal, we achieved a rapid rebound in all our theme park businesses, which was the best reward for our tireless efforts during the hard times of the COVID-19 pandemic and further demonstrated the strong viability of our business model. From January to February 2023, the admission attendance of our theme park was approximately 1,060,000, representing a recovery rate of approximately 114% and approximately 123.4% from the same period of 2019 and 2022, respectively. The total revenue of the park operation segment recorded approximately RMB173 million, representing a recovery rate of 118% and 143.6% from the same period of 2019 and 2022, respectively, while the total revenue of the remaining parks in 2019 was RMB1,555 million.

Shanghai Project: After the COVID-19 pandemic, the Shanghai Park achieved a rapid rebound. From January to February 2023, the admission attendance of the Shanghai Park was approximately 580,000, representing a recovery rate of 151.4% and 207.5% from the same period of 2019 and 2022, respectively. From January to February 2023, the total revenue of the Shanghai Park recorded approximately RMB140 million, representing a recovery rate of 130% and 177% from the same period of 2019 and 2022, respectively, while the total revenue of the Shanghai Park in 2019 was RMB944 million. 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 Ice Star, Shanghai Astronomical Museum and the China Maritime Museum. This area will become a world-class cultural and sports tourism destination and a carrier of international leisure and consumption in Shanghai. Our Shanghai Park, as a benchmark of marine culture experience, has become one of the core destinations of urban leisure and vacation in Shanghai. 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 development of the Shanghai Park through asset-light approach, which will incorporate elements such as a hot spring hotel, an ocean-themed hotel and an ocean discovery centre, and is expected to be opened in 2025.

Zhengzhou Project: Zhengzhou Haichang Ocean 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 tourist market is huge. Phase I of Zhengzhou Park is currently in the final stage of construction and is expected to open in the second half of 2023, and phase II is expected to open in 2024. The entire Zhengzhou theme park will be larger than the Shanghai Park by 40%, with associated facilities including ocean-themed parks, hotels and IP themed town.

Moreover, we have witnessed the great influence of first-rate IPs. As such, we will continue to develop the first-rate IPs operation and promote the integration of IPs into the rest of our theme parks and scenes. We expect to launch an IP themed pavilion in Dalian Discoveryland in 2023, and will also launch new first-rate IPs in the Shanghai Park.

We are taking active steps to explore new realms and techniques that are beneficial to cultural tourism. Adhering to the idea of integrating technology into the ocean world, we are actively exploring the path of biotechnology. We have unveiled the world's first-ever bionic whale shark in Shanghai Park. The bionic whale shark can highly simulate all movements of the real ones, which enrich visitors' experience. In the future, this bionic whale shark will be installed with different sensors for monitoring water quality, photo-shooting, video-recording and other functions, offering the technical build-up and guarantee for new scenes of future technology. Meanwhile, IP + technologies (including AI technology) is also an important approach to empower the development of our themed parks in the future.

TOURISM & LEISURE SERVICES AND SOLUTIONS SEGMENT

Nearly 20 years of cultural tourism operation has enabled us to accumulate sophisticated experience and operating model in the industry. Therefore, we intensify the development of our tourism & leisure services and solutions business. The Group has set up a strategic product system for the provision of a full cycle of management delivery services under the OAAS (OPERATION AS A SERVICE) model, to precisely develop boutique project system in the "marine tourism + science exploration + family entertainment" three-in-one composite business format.

Boutique aquarium is one of our project series which we are currently advancing in a rapid manner. "Every city deserves to have one Haichang Aquarium/Ocean Exploratorium". We commenced the launch of two new brands, namely "Haichang Aquarium" and "Haichang Ocean Exploratorium", during the first half of 2022. We cooperated with potential local aquariums, which we renovated and upgraded to some extent to improve the original landscape and enhance the tourism experience. We also provided a full suite of supporting systems of Haichang and dispatched our experienced staff to provide management support. The first 5 Haichang Aquariums/Ocean Exploratoriums opened on 1 May 2022. By the end of March 2023, we operated 18 marine culture-based and urban family-friendly aquariums in 18 cities such as Changzhou, Yancheng and Xiangtan. We are currently in negotiation of cooperation for about 20 local aquariums, and are preparing to execute contracts for more than 20 aquariums.

These projects continue to serve our even larger consumer base through integration and management of operating small boutique aquariums by benefiting from our business strengths and extensive experience in marine culture industry. The value, traffic and customers' experience of the boutique aquariums are further enhanced through integration of the Group's premium culture-based tourism and leisure products and sales system, introduction of IP products and leveraging on the cost advantage as a conglomerate and under the scale-up development. In spite of the unfavorable external environment in 2022, boutique aquariums attracted a total of approximately 520,000 visitors under the management of Haichang, recording a revenue of approximately RMB23 million.

The total number of visitors in January and February 2023 was approximately 200,000. This proved the feasibility of our chain aquarium business strategy, given the enormous regional culture-based tourism and leisure market and the demand for oceanic culture and leisure products of the huge regional consumer population in China. Thus, we plan to develop "The Hundred Aquariums" in three to five years to provide a more diversified range of quality products and services for China's massive family tourism and leisure market and speed up on the extensive expansion of geographical presence across China. Furthermore, we will integrate our IP operation new consumption business into the chain aquariums. In the future, we will continue to introduce our premium IP products into our operating projects, endeavouring to further meet the demand for the first-rate IP products of the consumers in the region, thus enhancing the overall profitability for the projects.

In addition, the first project of our other product series, the "Children's Snow and Ice Center" project, will be officially launched in Bao'an District, Shenzhen in April 2023. Covering an area of approximately 2,200 square meters, the project offers a snow-based experience of real ice and snow through the use of patented technology to restore natural snowfall in a purely physical way, differentiating it from the current ice-based ice and snow projects in the market, ensuring a unique experience. Meanwhile, combined with IP operation, the ice and snow park with exotic customs and magical cultural background is created through multiple scene elements, presenting a rich and colorful interactive experience. The opening of the project will mark the launch of the Group's new product series, which will serve as a starting point for future expansion and deployment of more projects nationwide.

IP OPERATION NEW CONSUMPTION BUSINESS

We have started to shape the landscape of IP operation in the market segment which we are familiar with. We are committed to building a leading IP operation new consumption platform in China on which we will, in continued partnership with owners of first-rate IPs with global influence, commercialise and integrate such IPs into the theme parks, scenic spots, lifestyle hotels, commercial buildings and other on-ground consumption and entertainment premises to realize the most competitive IP operating system in China.

We strive to further diversify our IP portfolio. Currently, we have been granted the IP license of the Ultraman Series (details of which can be found in the announcements of the Company dated 30 December 2021, 18 April 2022 and 27 June 2022 published on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")). We have also entered into cooperation with Shangyingyuan (details of which can be found in the announcement of the Company dated 14 December 2022 published on the Stock Exchange), and obtained the characters-related merchandise development rights of the film The Monkey King. We are also in negotiations with a number of first-rate IP owners for possible cooperation. On the other hand, we are committed to developing Haichang's proprietary IPs. Other than those charming and oceanic proprietary IPs, we have developed a distinctive oceanic IP, Celestra Queen. These IPs have debuted in the shows at the Ultraman Theatre in the Shanghai Park, and received countless commendation after the shows were broadcasted. We will focus on developing our proprietary IP operation in the future.

In addition to introducing the IP theme pavilions in our own parks, we are also actively expanding other channels. Currently, we expect to first launch our IP theme pavilions in other scenic spots, parks, shopping malls and other crowded areas. Our influential IP and excellent IP products inject new momentum for the revenue and development of Haichang. We expect to open at least 2 theme pavilions in non self-owned scenic areas in the first half of 2023, which will lay a solid foundation for the rapid market-wide development of IP business in the future.

OUTLOOK

Our goal is to become the most valuable company in the cultural tourism industry in China and hope to create an amusement park filled with "dream, love, joy" for customers, where we can continue to offer premium culture-based tourism and leisure products with unique and distinctive features for our consumers driven by oceanic culture as its core.

Our robust data for January and February in 2023 are an initial indicator of our competitive strength in premium culture-based tourism and leisure products coupled with an excellent business model and the room for the cultural tourism consumption market in China. Amidst a normal external context, we are confident in the growth of recovery for our established theme park.

Meanwhile, we expect to see robust business growth in our theme parks. In the second half of this year, the long-awaited Zhengzhou Park phase I will be put into operation and we envisaged that the phase II will commence operations in 2024. The entire area of the Zhengzhou theme park will exceed that of our Shanghai Park by 40%. Furthermore, Shanghai Park phase II is expected to operate in 2025. There remains room for the further development of the Sanya and Chongqing parks, which will also leave us with development momentum for future growth, which is expected to bring better revenue and profit contribution to the Company.

The successful launch of the Ultraman-themed IP project in Shanghai Park marks the kick-off of a new development engine for Haichang, which is a highly valuable business model in light of the performance of our theme pavilions in Shanghai Park. We will further improve our ability to streamline our IP operation and build a new variety of IPs into each park step by step, with a view to further increase the entertainment and revenue for the park. We will also accelerate our progress in launching external IP themed pavilions. We expect that at least 2 external park IP theme pavilions would be launched in 2023. In addition, we are still under negotiation with various new channels for launching IP projects. IP operation will provide an excellent business model and content for our future business growth, and it is expected that Haichang will become an integrated cultural tourism operation platform driven by the dual core featuring oceanic culture and IP operation.

Our boutique aquarium business has just kicked off. By the end of March 2023, we operated 18 marine culture-based and urban family-friendly aquariums. We will pick up our pace to achieve the goal of "The Hundred Aquariums" in the near future, which will become a new consumption network for the oceanic culture and entertainment in Haichang in the future.

In addition, we are also conducting further in-depth exploration on the path of asset capitalization to further improve our capital structure. Our Shanghai Park phase II project will adopt an asset-light model, while we will also actively pursue a sustainable asset-light model for our existing heavy assets, releasing restricted capital to provide strong financial support for the rapid growth of Haichang in the future. Meanwhile, we will explore business models with value-added assets empowered by the Haichang's operations.

Awards and recognitions of the Group in 2022

Organiser	**Award**	**Awardee**
2022 China Tourism Group Development Forum	Top Ten Entrepreneurship & Innovation Cases for China Tourism Group	Ultraman-themed Entertainment Zone of Shanghai Haichang Ocean Park
China Theme Park Development Summit Forum	2022 Cultural Tourism and Theme Park Innovation Enterprise	Haichang Ocean Park
China Theme Park Development Summit Forum	Best Theme Park in China in 2022	Shanghai Haichang Ocean Park
China Theme Park Development Summit Forum	China Theme Park Excellent Experience and Artistic Project in 2022	Shanghai Haichang Ocean Park
China Theme Park Development Summit Forum	China Theme Park Excellent Experience and Artistic Project in 2022	Shanghai Haichang Ocean Park
2022 China Culture & Tourism Tendency Leaders	Social Responsibility Benchmark Cultural Tourism Enterprise in 2022	Haichang Ocean Park
2022 China Culture & Tourism Tendency Leaders	Cultural Tourism Innovation Benchmark Enterprise in 2022	Haichang Ocean Park
2022C Excellent Case	Excellent Night Tourism Project	Haichang Night Economy 2.0
Future Release Summit	Innovation and Communication Award – Brand Value Award in 2022	Haichang Ocean Park

Organiser	Award	Awardee
Ctrip Reputation List	Favourite Family Park Hotel of the Year in 2022	Shanghai Haichang Ocean Park
2022 Golden Crown Award	Outstanding Theme Park (on land)	Shanghai Haichang Ocean Park
2022 Golden Crown Award	Most Popular Park/ Scenic Spot	Shanghai Haichang Ocean Park
Ctrip Reputation List	Family Park Scenic Spot in 2022	Laohutan Ocean Park

Environment, Social and Governance

Not only being a leading marine-life theme park developer and operator in China, Haichang Ocean Park is also a pioneer in conservation of ocean and polar animals, and one of the key ocean conservancy organisations. Haichang Ocean Park has been actively fulfilling its responsibilities in conservation of ocean and polar animals. Haichang Ocean Park has identified environment, social and governance ("**ESG**") as the critical factors for the stable development of the Group in the long run. Through strengthening the management on the ESG, Haichang Ocean Park values the well-being of animals, protects the ecological environment, safeguards the rights and interests of staff and customers, and makes contribution to the community, fulfilling the corporate environmental and social responsibilities in various aspects.

Haichang Ocean Park has the world-class venues for keeping and breeding animals in the world. Our animal nursery is designed to completely mimic the nature and equipped with the most internationally advanced life-supporting systems for animals. We operate our animal raising facilities in full and strict compliance with national standards and provide them with the most premium living space.

We have a professional animal conservation team consisting of nearly 1,000 members, who play an active role in the species protection and rescue operations nationwide. Over more than a decade, Haichang Ocean Park has successfully bred over 1,000 rare polar ocean animals of over 20 species. We rank first and has a world leading position in terms of the diversity and number of species bred.

Haichang Ocean Park bred a total of 66 large animals and over 57,000 small creatures during 2022. We are making continuous improvement of the living environment and conduct regular comprehensive assessment on the living area of animals to enhance their conservation and health management capabilities.

As a leader in respect of the protection and breeding of ocean and polar animals, Haichang Ocean Park actively participates in the rescue of animals, fulfilling the corporate social responsibilities. We assisted China's local competent authorities and animal protection organisations with various rescue and release operations for aquatic wildlife animals, and carried out animal rescue, healing and taming with the guidance from local competent authorities. In 2022, our animal conservation team assisted the Freshwater Fisheries Centre of the Yangtze River Office to implement the Yangtze finless porpoise ex-situ conservation programme in Poyang Lake for 18 days, transferring over 110 stranded finless porpoises, which won the commendation from the competent authorities.

In 2022, we also launched a "Vets for Cute Pets" business on the Jingdong online shopping platform. At present, there are very few veterinarians for aquatic exotic pets, however, our marine veterinarians are actively taking orders and providing services with passion while carrying out daily animal conservation work. We have received hundreds of orders, and the number of orders received has been on the rise, with a 100% positive feedback rate.

Over the years, Haichang Ocean Park has made consistent efforts in fulfilling its responsibility of polar and ocean animal protection and science education, and has committed to creating a better living environment for animals and helping people better understand ocean animals. In this regard, we have commenced science education in our national, provincial and municipal science education bases located in our marine-life theme parks. Currently, Haichang Ocean Park has several titles of national science education bases. Our efforts in public science education are as follows:

– Set up an animal conservation foundation to promote development of charitable activities for ocean animal conservation.

– Issued the "Haichang Awards", an award for aquatic wildlife protection, for years, in recognition of those scientific research institutions, companies and people who care about social welfare for their outstanding contribution to aquatic wildlife protection.

– Joined species conservation alliances to give support and security to rare aquatic wildlife conservation and protection.

– Organised and participated in science education activities by making full use of the national, provincial and municipal science education bases located in our marine-life theme parks.

– Undertook the opening ceremony of the National Popular Science Promotion Month for the Ministry of Agriculture and Rural Affairs and launched science education programmes in animal protection.

– Attended or undertook the annual popular science meetings held by the Ministry of Agriculture and promotion activities for science education in conservation of international endangered species.

– Entered into cooperation on the promotion of conservation and breeding of Chinese aquatic wildlife species and conservation and science education of Yangtze porpoise species.

In addition, Haichang Ocean Park has also practiced social responsibility in social welfare. Since 2015, Haichang Ocean Park has promoted the "Month of Caring the Families with Autism Patients" in every April. During the month, families with autism patients are offered free visit to our parks. It is a social caring activity we have initiated for 7 consecutive years to show our love to autism patients. Up to the date of this announcement, we have received thousands of families with autism patients.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2022, the Group recorded a turnover of approximately RMB793.0 million (2021: approximately RMB2,460.2 million), representing a decrease of approximately 67.8% when compared with last year. In 2022, as affected by the resurgence of the COVID-19 pandemic, the Group has complied with the prevention and control guidance and requirements imposed by relevant local authorities, such as phased closures of the parks and crowd restrictions, which, together with the disposal of certain parks in late 2021, materially affected our park operations business.

	As at 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Revenue by Business				
Park operations	**748,941**	**94.4%**	1,824,162	74.1%
Tourism & leisure services and solutions	**44,047**	**5.6%**	51,810	2.1%
Property sales	**–**	**–**	584,228	23.8%
Total	**792,988**	**100.0%**	2,460,200	100.0%

	As at 31 December	
	2022	2021
The remaining parks and solutions	**792,988**	1,039,374
The disposed parks	**–**	836,598
Property sales	**–**	584,228

Revenue generated from the Group's park operations segment decreased by approximately 58.9% from approximately RMB1,824.2 million in 2021 to approximately RMB748.9 million in 2022, primarily attributable to the prevention and control guidance and requirements imposed by relevant local authorities as affected by the resurgence of the pandemic and the disposal of certain parks in late 2021.

For the year ended 31 December 2022, revenue generated from the Group's tourism & leisure services and solutions decreased to approximately RMB44.0 million in 2022, primarily attributable to the decrease in project delivery amid the pandemic, partially offset by the revenue generated from the operation of the Haichang Aquariums/Ocean Exploratoriums.

For the year ended 31 December 2022, no revenue was derived from the Group's property sales. In 2021, revenue generated from such segment amounted to approximately RMB584.2 million.

Cost of Sales

	As at 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Cost of Sales by Business				
Park operations	**1,034,543**	**96.5%**	1,422,861	81.8%
Tourism & leisure services and solutions	**37,173**	**3.5%**	29,527	1.7%
Property sales	**–**	**–**	286,547	16.5%
Total	**1,071,716**	**100.0%**	1,738,935	100.0%

The Group's cost of sales decreased by approximately 38.4% from approximately RMB1,738.9 million in 2021 to approximately RMB1,071.7 million in 2022, primarily attributable to the decrease in the corresponding cost of sales due to significant decrease in sales under the impact of the COVID-19 pandemic, and no further cost of park operations and property sales due to the exclusion of cost from the disposal of certain parks.

Gross (Loss)/Profit

	As at 31 December			
	2022		2021	
	RMB'000	*%*	*RMB'000*	*%*
Gross (Loss)/Profit by Business				
Park operations	**(285,602)**	**102.5%**	401,301	55.6%
Tourism & leisure services and solutions	**6,874**	**(2.5%)**	22,283	3.1%
Property sales	**–**	**–**	297,681	41.3%
Total	**(278,728)**	**100.0%**	721,265	100.0%

For the year ended 31 December 2022, the Group's overall gross loss was approximately RMB278.7 million (2021: gross profit of approximately RMB721.3 million), resulting in an overall gross loss margin of approximately 35.1% (2021: gross profit margin of approximately 29.3%).

For the year ended 31 December 2022, gross loss of the Group's park operations segment was approximately RMB285.6 million (2021: gross profit of approximately RMB401.3 million), primarily attributable to the prevention and control guidance and requirements imposed by relevant local authorities as affected by the resurgence of the COVID-19 pandemic and the significant decrease in revenue.

For the year ended 31 December 2022, gross profit of the Group's tourism & leisure services and solutions segment was approximately RMB6.9 million.

Other Income and Gains

The Group's other income and gains decreased by approximately 93.2% from approximately RMB2,672.1 million in 2021 to approximately RMB181.5 million in 2022, primarily attributable to the investment gain from disposal of equity interests in four theme park projects completed in 2021.

Selling and Marketing Expenses

The Group's selling and marketing expenses decreased by approximately 62.3% from approximately RMB225.4 million in 2021 to approximately RMB85.0 million in 2022, primarily attributable to the significant reduction of selling and marketing expenses during the COVID-19 pandemic and the exclusion of such expenses from the disposed parks.

Administrative Expenses

The Group's administrative expenses decreased by approximately 47.2% from approximately RMB1,147.6 million in 2021 to approximately RMB606.4 million in 2022, primarily attributable to the impairment of long-term assets of RMB148.1 million in 2022 (2021: RMB571.3 million), and the exclusion of the relevant administrative expenses from the Group's financial statements as a result of the disposal of certain parks.

Finance Costs

The Group's finance costs decreased by approximately 35.7% from approximately RMB489.9 million in 2021 to approximately RMB314.9 million in 2022, primarily attributable to the decrease in total bank loans of the Group.

Income Tax (Expense)/Credit

The Group recorded an income tax expense of approximately RMB362.9 million in 2021 and income tax credit of approximately RMB9.5 million in 2022. Such change was primarily attributable to the income tax arising from the disposal of equity interests in certain parks in 2021 as well as the income tax and land appreciation tax arising from property sales in 2021 in relation to the disposed parks. The income tax arising from the disposal of equity interests in certain parks was RMB241.5 million.

(Loss)/Profit for the Year

As a result of the foregoing, the Group realised a loss for the year ended 31 December 2022 of approximately RMB1,408.9 million (2021: profit of approximately RMB834.2 million) with a net loss margin of approximately 177.7% (2021: net profit margin of approximately 33.9%). For the same period, loss attributable to owners of the parent amounted to approximately RMB1,395.9 million (2021: profit attributable to owners of the parent of approximately RMB844.9 million).

Non-IFRSs Measures

In order to supplement the Group's consolidated financial statements, which are presented in accordance with IFRSs, the Group uses adjusted EBITDA (loss)/profit and adjusted net loss as additional financial measures. The Group presents these financial measures because they are 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 these non-IFRSs measures provide additional information to investors and others in their understanding and evaluating the Group's results of operations in the same manner as they help the Group's management. These non-IFRSs measures provide an unbiased presentation for investors for understanding. However, these non-IFRSs measures do not have the standardized meanings prescribed by IFRSs and therefore they may not be comparable to similar measures presented by other companies listed on the Stock Exchange.

Adjusted EBITDA (Loss)/Profit

For the year ended 31 December 2022, adjusted EBITDA loss was RMB423.2 million as compared to profit of RMB526.8 million for last year, primarily attributable to the significant decrease in revenue due to the resurgence of the COVID-19 pandemic, and the disposal of certain parks.

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

	2022 ***RMB'000***	2021 *RMB'000*
(Loss)/earnings before interest and tax	**(1,122,978)**	1,683,447
– Depreciation and amortization	**350,021**	487,364
– Changes in fair value of investment properties	**179,830**	177,616
– Impairment of property, plant and equipment and intangible assets	**148,114**	571,336
– Impairment of completed properties held for sale	**21,810**	–
– Share of loss of an associate	**–**	80,839
– Gain on disposal of subsidiaries	**–**	(2,473,804)
Adjusted EBITDA (loss)/profit	**(423,203)**	526,798

Adjusted Net Loss

For the year ended 31 December 2022, adjusted net loss was RMB1,059.1 million as compared to RMB568.3 million for last year, primarily attributable to the significant decrease in revenue due to the resurgence of the COVID-19 pandemic, and the disposal of certain parks.

The following table sets out the adjustments to adjusted net loss for the periods indicated:

	2022	2021
	RMB'000	*RMB'000*
Net (loss)/profit	**(1,408,858)**	834,238
– Changes in fair value of investment properties	**179,830**	177,616
– Impairment of property, plant and equipment and intangible assets	**148,114**	571,336
– Impairment of completed properties held for sale	**21,810**	–
– Share of loss of an associate	**–**	80,839
– Gain on disposal of subsidiaries	**–**	(2,473,804)
– Tax on disposal of subsidiaries	**–**	241,450
Adjusted net loss	**(1,059,104)**	(568,325)

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 2021 and 2022, the Group's capital expenditure amounted to RMB204.2 million and RMB804.1 million, respectively.

Liquidity and Financial Resources

As at 31 December 2022, the Group had current assets of approximately RMB2,847.4 million (2021: approximately RMB3,597.9 million). As at 31 December 2022, the Group had cash and bank deposits of approximately RMB1,244.6 million (2021: approximately RMB3,206.7 million).

Total equity of the Group as at 31 December 2022 was approximately RMB2,676.3 million (2021: approximately RMB3,830.5 million). As at 31 December 2022, total interest-bearing bank and other borrowings of the Group amounted to approximately RMB5,149.2 million (2021: approximately RMB5,194.0 million). As at 31 December 2022, total lease liabilities of the Group amounted to approximately RMB118.6 million (2021: total approximately RMB60.4 million).

As at 31 December 2022, the Group had a net gearing ratio of approximately 150.3% (as at 31 December 2021: approximately 53.5%). The net liabilities of the Group included interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents. The increase in the net gearing ratio as at 31 December 2022 was primarily attributable to the decrease in cash and cash equivalents resulting from the construction and renovation of parks and the ordinary operating expenses for parks amid the COVID-19 pandemic, as well as the decrease in net assets resulting from operating losses.

As indicated by the above figures, 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 only ordinary shares for the year ended 31 December 2022.

Contingent Liabilities

During 2022, 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 RMB28,617,000 and the interests arising from the overdue payments of construction costs of approximately RMB977,000. As at 31 December 2022, certain bank accounts of the Group of RMB18,938,000 were frozen by People's Court of Pudong New Area for property preservation. As of the date of approval of the financial statements, the trials of the cases are yet to be scheduled. The Group has 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 of the Company are of the opinion that, the interests claimed are 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 interests claimed.

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 2022, the Group had capital commitments of approximately RMB608.4 million (2021: RMB620.1 million), which shall be funded through a variety of means, including cash generated from operations, bank financing etc.

Staff Policy

As at 31 December 2022, the Group had a total of approximately 3,060 full-time employees (2021: 4,192 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 as well as 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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

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 14 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 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, remuneration committee, nomination committee and any other committees (as appropriate) of the Company to attend. Mr. Qu Naijie, who was the chairman of the Board and the chairman of the nomination committee of the Company, was absent from the annual general meeting of the Company held on 10 June 2022 (the "**AGM**") due to pre-arranged business commitments. Mr. Qu Cheng who was an executive Director, was appointed as the representative of the chairman of the Board to attend the AGM. Mr. Wang Xuguang, Mr. Qu Cheng and the chairmen of the audit committee, remuneration committee, risk management and corporate governance committee and independent board committee and other members of the nomination committee of the Company were available to answer questions at the AGM.

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 code provision as taking the roles of both chairman and chief executive by the same individual helps enhance the efficiency of the formulation and implementation of the Company's strategies and allow 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 10 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 2022.

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. Chen Guohui, Mr. Wang Jun and Ms. Zhang Meng. Mr. Chen Guohui is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the annual results announcement for the year ended 31 December 2022.

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2022 but represents an extract from the consolidated financial statements for the year ended 31 December 2022 which have been audited by the auditor of the Company, Ernst & Young, in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board. The financial information has been reviewed by the Audit Committee and approved by the Board.

DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 December 2022.

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 our intentions, beliefs or current expectations concerning, among other things, our 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 2022 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 2022 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and 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, 30 March 2023

As at the date of this announcement, the executive Directors are Mr. Qu Naijie, Mr. Qu Cheng and Mr. Zhang Jianbin; the non-executive Directors are Mr. Wang Xuguang, Mr. Li Hao and Mr. Yuan Bing; and the independent non-executive Directors are Mr. Chen Guohui, Mr. Wang Jun and Ms. Zhang Meng.