



海昌海洋公园

HAICHANG OCEAN PARK

股票代码：2255.HK

育梦·有爱·有快乐

DREAM LOVE JOY

Corporate Presentation



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Outlook

# Leading Industry Position

- ◆ **Largest** marine theme park operator in China
- ◆ **Top 10** theme park operator worldwide in for two consecutive years
- ◆ Listed on HKEx in March 2014, constituent of the **Hang Seng Family of Indexes** and **MSCI Global Small Cap Indexes**



- ◆ Park Site Area: Approx. **2 mn** sqm
- ◆ Admission Attendance\* for Theme Parks in 2015: Approx. **12.30 million, accumulative total up to 100 million**
- ◆ Collection of Animals: nearly **50,000**
- ◆ Largest Water Volume in China: **100,000 m<sup>3</sup>**



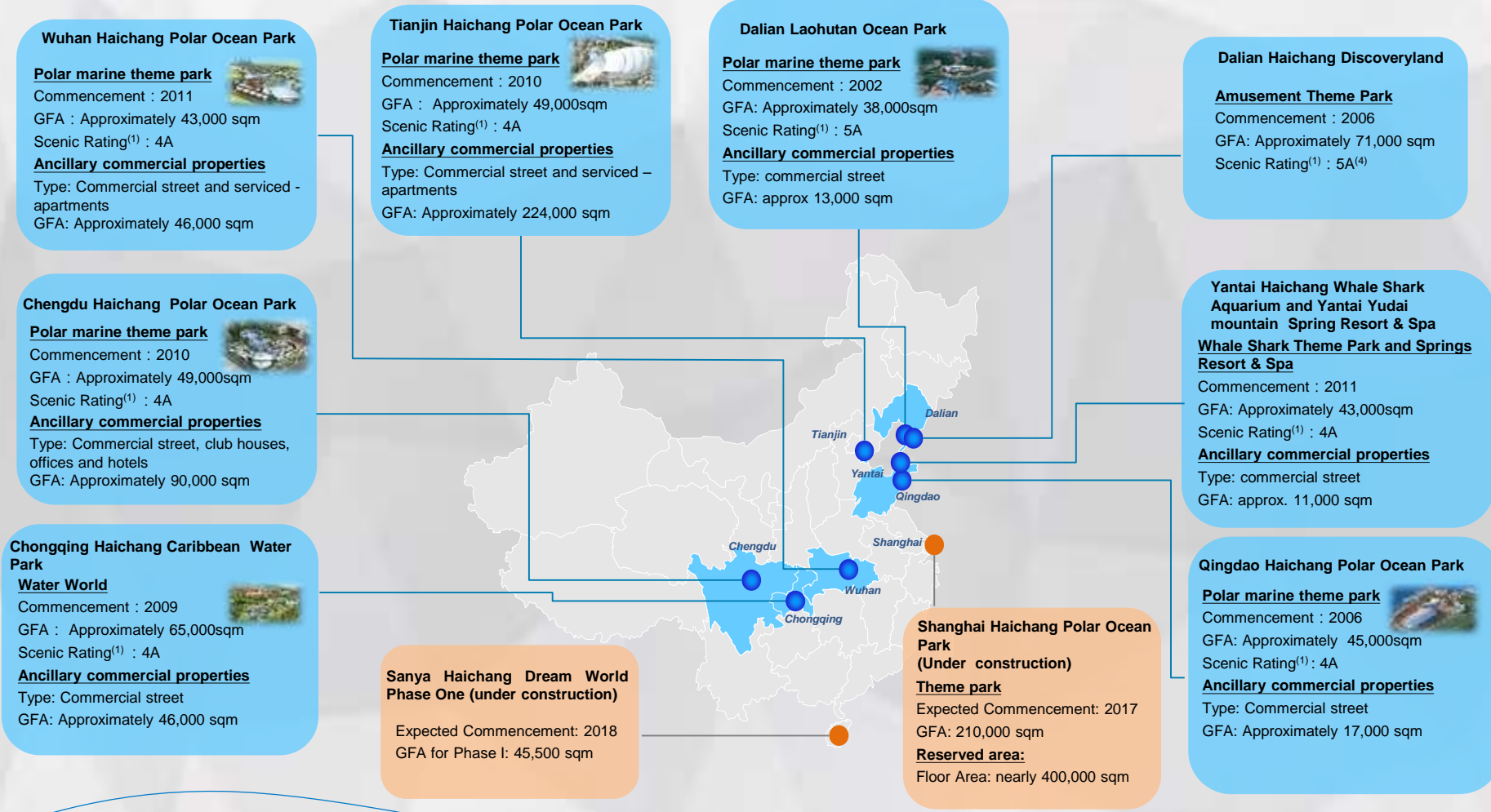
\*Note: The number of visitors that purchasing in-park services or products doesn't count in the total attendances statistics

# National Network



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**Remark :**

- (1) National tourism scenic quality committee rating
- (2) For the water park, no ground construction, thus construction area is zero
- (3) Including the development of properties in the construction area, excluding properties held for future development of the construction area
- (4) The 5A rating was awarded to Dalian Golden Pebble Beach National Tourist Resort Dalian Discoveryland formed an integral part for providing visitors with entertainment experience

# Largest Animal Collection in China with Leading Animal Care Expertise

Nearly 50,000 marine and polar animals

Industry leading animal care and management expertise



Beluga



Polar Bear



Seal



Sea Lion



Walrus



Whale Shark



Dolphin



Penguin



False Killer Whale

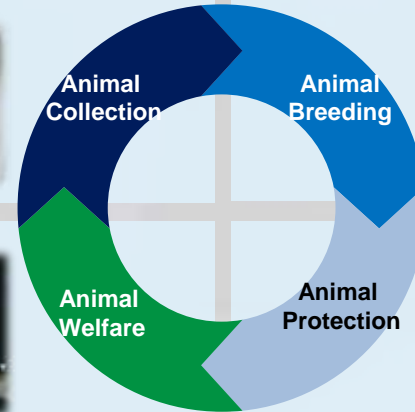


Shark

- Establish and maintain stable relationship with top international animal suppliers and rare polar animal suppliers



- Provide our animals with a natural environment
- Successfully produced **over 500** aquatic animals & large-size sharks of five species in a decade



- Provide a suitable living environment,
- Expert team that works to enrich animal environments and focuses on research in adjusting and managing animal emotions




- Active participation in animal protection and rescue in China via establishing animal rescue centers and setting up dedicated rescue platforms




Our marine and polar animal collection top in China. Animal care expertise are at industry leading positions world-wide.

# Outstanding Operational Capabilities

## Awards



NTAQRAC:  
Two "5A" (highest ratings & six "4A" (2nd highest) ratings



PRC polar exploration administration:  
"Polar Science Public Education Center"



Ministry of Culture:  
National Cultural "Industry Exemplar Center"

## Membership



International Association of Amusement Parks & Attractions



Themed Entertainment Association



International Association for Aquatic Animal Medicine

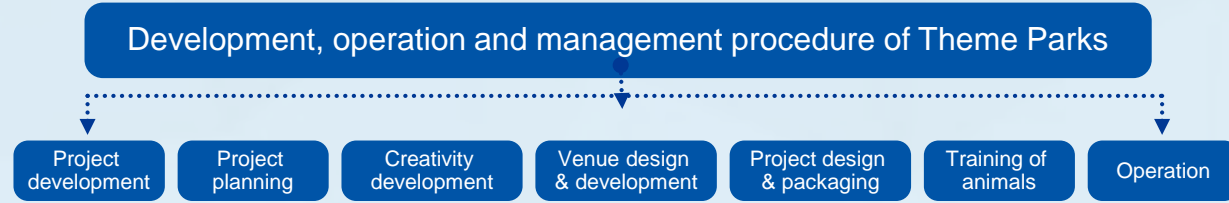


The Animal Behavior Management Alliance

## Participation in Industry Standardization

Industry standardization pilot programs by CNTA  
Industry standards for the husbandry of marine animals


## Focus on Operation




## Global Partnership



Parques Reunidos

Berlin Zoological Garden

Hong Kong Ocean Park




Hualien Farglory Ocean Park of Taiwan



# Influential Strategic Investors with Proven Track Record

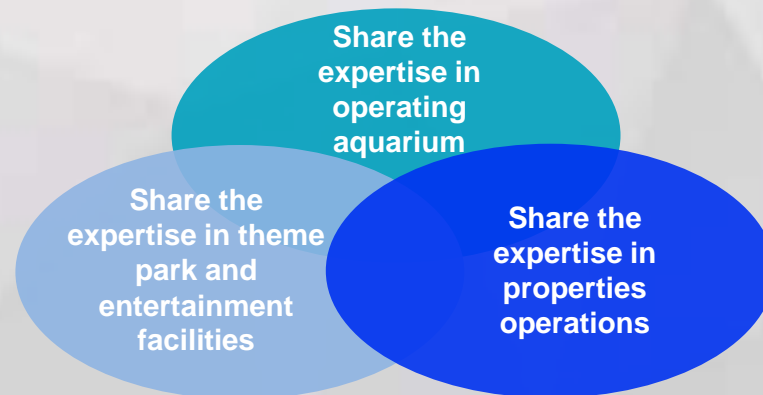
## International Strategic Investors



### Experience

- The biggest strategic investor, Orix, is a Japanese enterprise group listed on both NYSE and Tokyo Stock Exchange
- The business scope covers corporate finance, lease, investment and real estate development
- Investments include three aquariums and several resort hotels in Japan, especially the well-known Enosui Aquarium and Sky Tree Town Aquarium

### Support to Us



## China Domestic Strategic Investors



- Hony Capital, the second largest strategic investor of Haichang, is a leader and pioneer in China's Private Equity industry
- Hony Capital focuses on China market with business covering M&A and growth investment. It provides supports in development strategies, management structure, executive recruitment, internal control and incentive plans



Internationally renowned private equities and strategic investors support our business model.

# Financial Performance

A large indoor aquatic show featuring a massive water wall and dolphins leaping from a pool. The water wall is a tall, cylindrical structure with a decorative top and a red light. The dolphins are leaping from a pool of water, creating a large splash. The background is a large, dark structure with a grid of lights.

Brand-new Aquashow in Dalian Laohutan

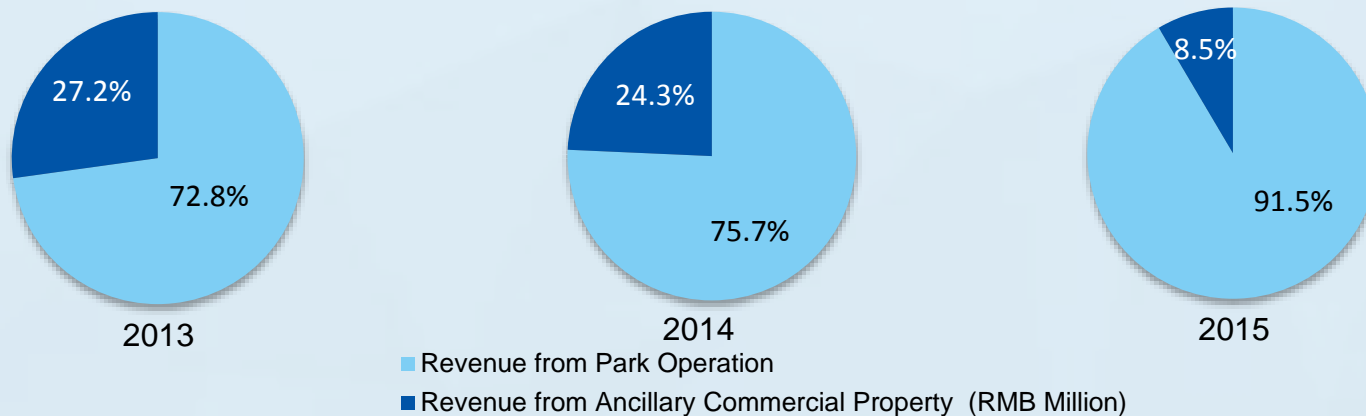


# Income Statement Summary

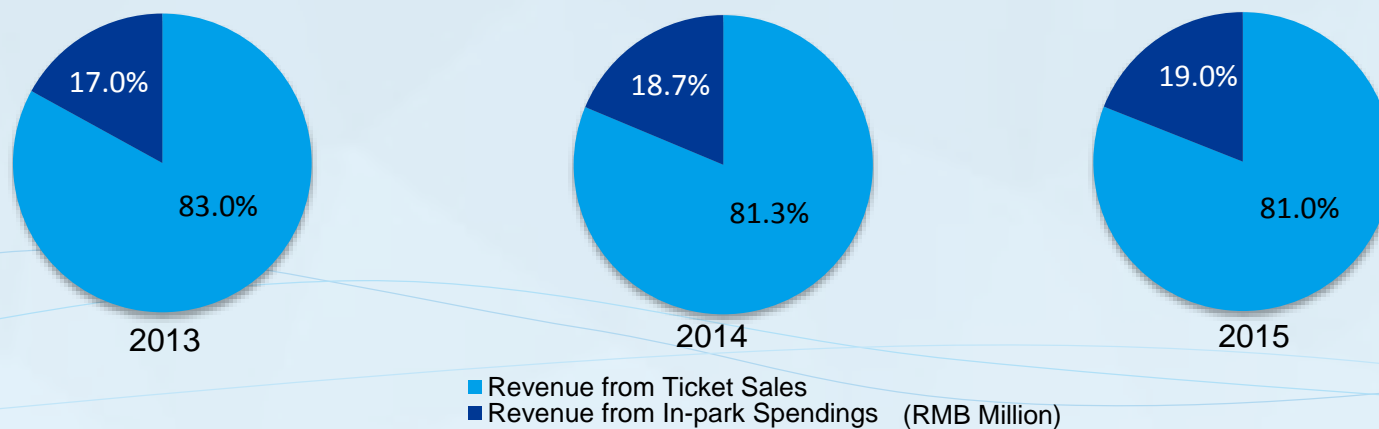
RMB Million	FY2013	FY2014	FY2015	CAGR	1H2015	1H2016	Change (%)
<b>Total Revenue</b>	1,378.3	1,531.4	<b>1,416.8</b>	1.4%	532.1	<b>663.1</b>	24.6%
- Revenue from Park Operation	1,002.8	1,159.6	<b>1,295.8</b>	13.7%	453.8	<b>501.6</b>	10.5%
- Revenue from Ancillary Commercial Property	375.5	371.8	<b>121.0</b>	-43.2%	78.3	<b>161.5</b>	106.2%
<b>Cost of Sales</b>	788.9	857.8	<b>630.4</b>	-10.6%	317.6	<b>362.8</b>	14.2%
<b>GP Margin</b>	42.8%	44.0%	<b>55.5%</b>	13.9%	40.3%	<b>45.3%</b>	5.0pts
<b>Profit Before Tax</b>	217.2	375.4	<b>463.0</b>	46.0%	141.8	<b>114.6</b>	-19.2%
<b>Net Income</b>	128.1	211.5	<b>250.0</b>	39.7%	65.4	<b>42.0</b>	-35.7%
<b>Net Margin</b>	9.3%	13.8%	<b>17.6%</b>	37.6%	12.3%	<b>6.3%</b>	6.0pts

# Improving Mix of Revenue Structure

## Enhanced Growth Contribution from Park Operation



## Steady Contribution Growth from In-park Revenue



Note: Revenue from in-park spendings includes merchandise, catering, in-park paid entertainment programs, hotel operation & rental income.

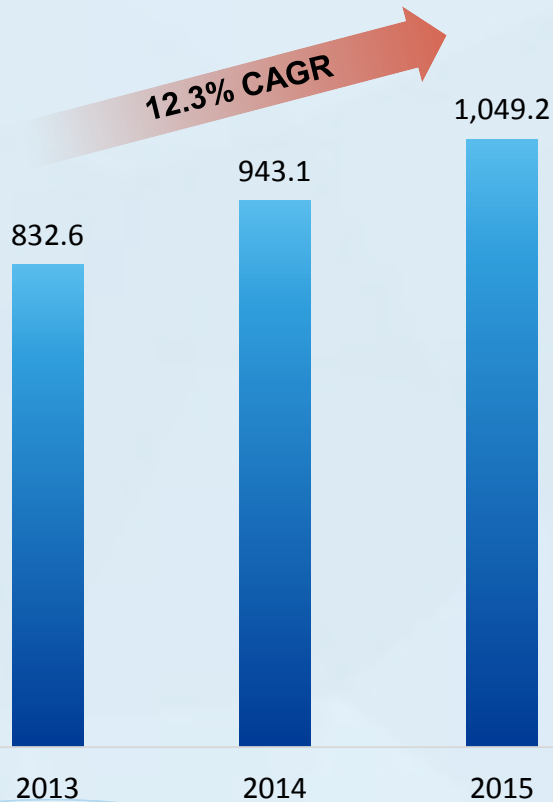
# Revenue from Park Operation Kept Increasing



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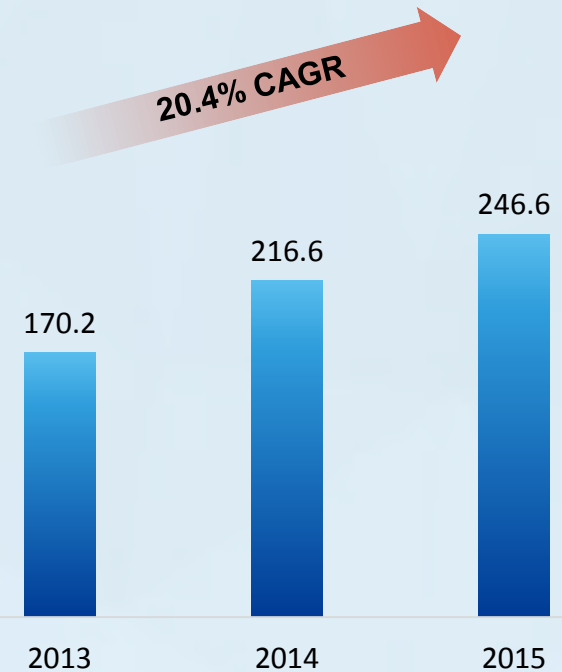
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## Revenue from Ticket Sales



(RMB Million)

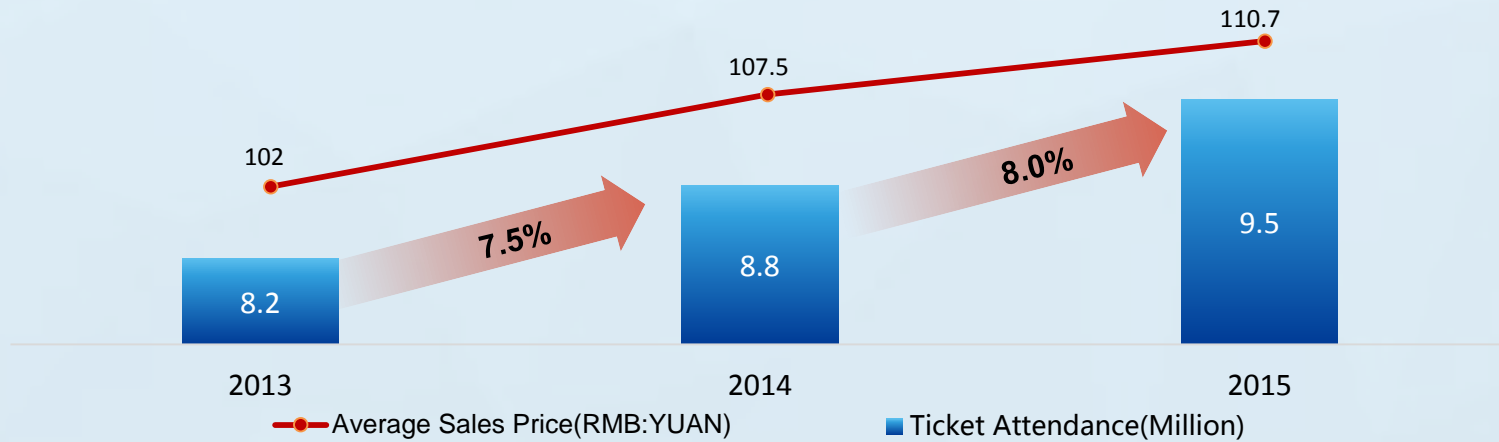
## Revenue from In-park Spendings



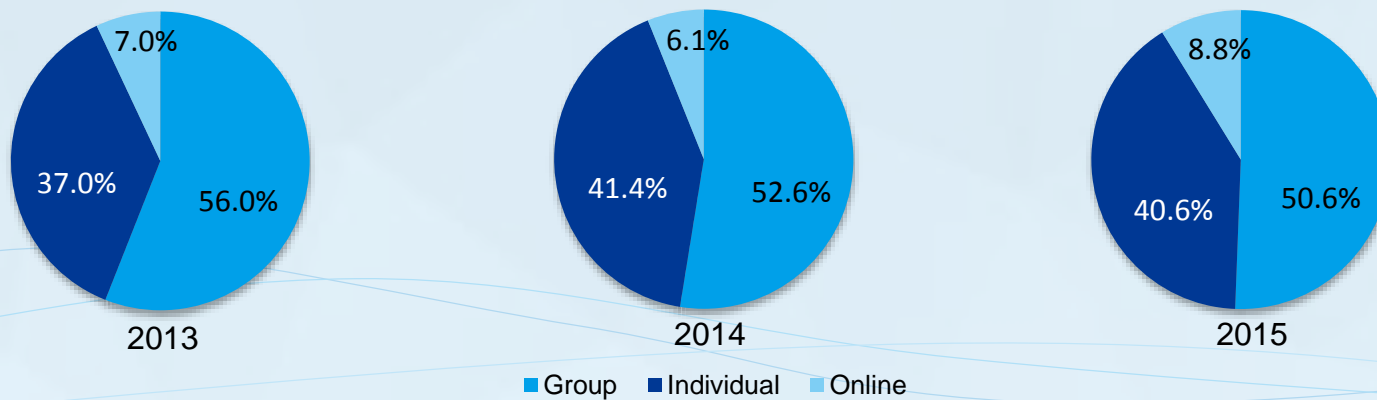
(RMB Million)

# Ticket Revenue Growth Driven by Higher Attendance and Average Sales Price

## Steady Growth of Ticket Attendance and ASP



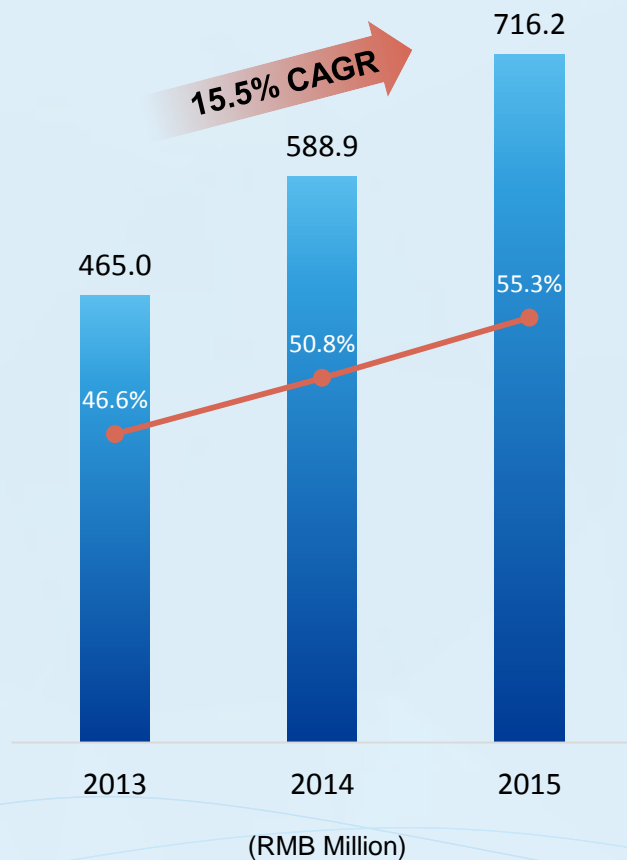
## Optimization of Sales Channel



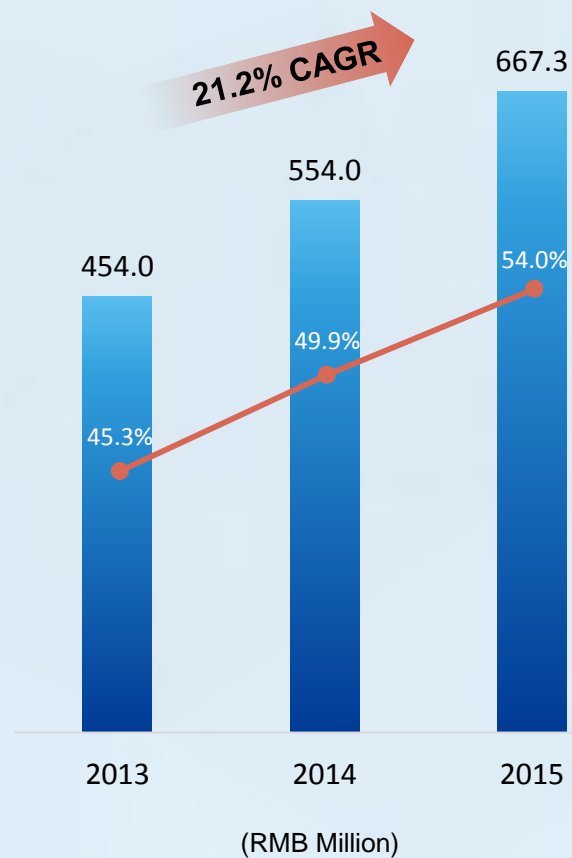
Note: The attendance of Dalian Laohutan Ocean Park is not included because of it adopting a revenue sharing system.

# Continuous Growth of Profit Margin from Park Operation

## GP & Margin from Park Operation

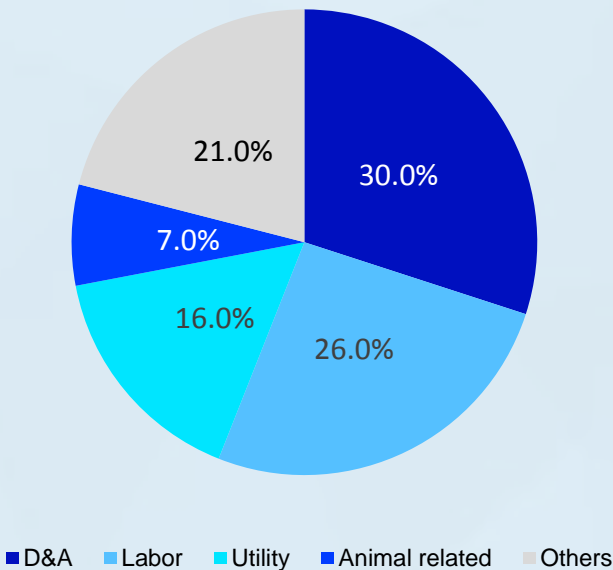


## EBITDA & Margin from Park Operation



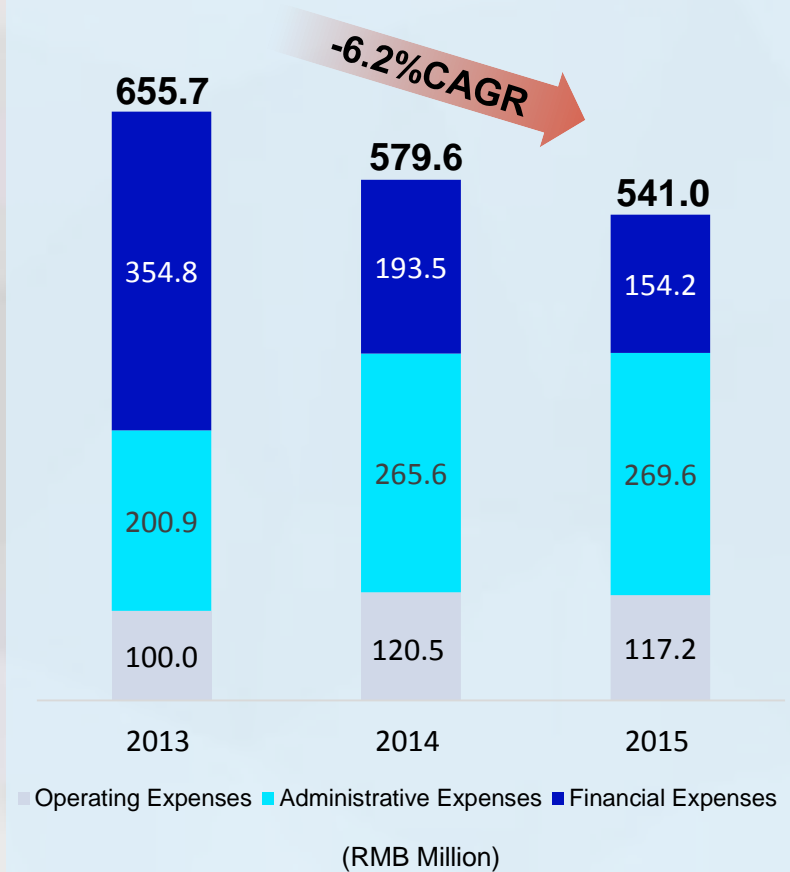
# Fixed Cost & Effective Expense Control

## Park Operating Cost Structure



Note: As 80% of park operating cost is relatively fixed, the operating leverage effect shows up with each park getting to more mature stage.

## Breakdown of Main Expenses



# Balance Sheet Summary

(RMB Million)	30 June 2016	31 December 2015	Change(%)
<b>Monetary Capital<sup>(1)</sup></b>	<b>695.0</b>	977.0	-28.9%
<b>Total Assets</b>	<b>8,691.0</b>	8,351.2	4.1%
<b>Total Liabilities<sup>(2)</sup></b>	<b>4,651.7</b>	4,356.0	6.8%
<b>Total Bank Loans</b>	<b>2,835.8</b>	2,366.0	19.9%
<b>Total Equity</b>	<b>4,039.3</b>	3,995.2	1.1%
<b>Net Gearing Ratio<sup>(3)</sup></b>	<b>52.2%</b>	34.4%	17.8pts
<b>Debt to Assets Ratio<sup>(4)</sup></b>	<b>53.5%</b>	52.2%	1.3pts

(1) Monetary Capital = Cash and Cash Equivalents + Restricted Funds;

(2) Total Liabilities = Short-term Interest-bearing Debts + Long-term Interest-bearing Debts;

(3) The net liabilities of the Group included interest-bearing bank borrowings and other borrowings, amounts due to related companies, less cash and cash equivalents and amounts due from related companies;

(4) Debt to Assets Ratio=Total Liabilities/Total Assets

# Business Review



Discoveryland's Firework Show



## Macroeconomic environment is full of challenges

- China's economy has entered a "new normal" stage, and implementing economic reform remains an arduous task
- In the first half of 2016, traditional industries were generally sluggish, whereas the new service sector grew rapidly
- Confidence in the consumer market remained weak
- Many regions were hit by extreme weather conditions

## Tourism industry performs well as a whole

- Proactive policies have led to improvement in product and service quality as well as efficiency in the tourism industry
- In the first half of 2016, total investment in the tourism industry was RMB421.15 billion, up 30.5% YoY; the total revenue of tourism industry was RMB2250 billion, representing a 12.4% YoY increase
- Changing market demand has encouraged innovation and reshaped the tourism consumption models. DIY travel, family-based travel and suburban travel recorded steady growth
- Overseas leaders entered China's theme park market, speeding up the restructuring and upgrading of the domestic theme park industry

# A More Encompassing “Regional Tourism & Leisure Destinations” Strategy — Innovative Ocean Parks Providing Five-senses Experience



# Shanghai Projects Kept on Track

## Shanghai Haichang Polar Ocean Park

- Situated in the north-west side of Dishui Lake, Lingang New District of Shanghai. It is the terminal of Line 16 of Shanghai Metro, and takes only 1 hour from downtown Shanghai. **It is about 25 min drive from Shanghai Disneyland**, and **cluster effect** shows up around the project as market enthusiasm heat up
- The park covers a site area of approximately 297,000 sq.m., with a total planned GFA of approximately 210,000 sq.m.
- Positioned as a **world-class fifth generation ocean park**, which contains 9 large scale exhibition arenas, 3 large scale animal interactive arenas, 2 large scale cinemas and 12 recreation facilities. The project will showcase polar animals, marine animals, together with amusement facilities, special effects films, science education and water-borne parades etc.
- Jointly with Ocean Park HK and the State Oceanic Administration, plan to establish a marine animal conservation center (the largest in Asia) around the project



April 2016  
Obtained approval of overall design documents

May 2016  
Project financing completed

End of 2017  
Ready for opening



# Sanya Projects Kept on Track

## Sanya Haichang Dream World

- Situated on the “national seashore” of Sanya Haitang Bay, and adjacent to Haitang Avenue, it only takes 30 min drive from downtown, and 5 min drive to CITS duty-free shop
- The GFA of Phase 1 are 45,500 sq.m.
- Positioned as marine-themed one-stop entertainment complex which integrates themed hotels & restaurants, featured shows, shopping and leisure facilities. The project will be based on the storyline of “**Maritime Silk Road**”, highlights the features of fantasy and the sleepless night
- Listed as **the key project in Hainan**, with its surrounding public transportation already being well in place



April 2016  
Completed conceptual plan, entered design stage

September 2016  
Kick off phase I construction

End of 2018  
Phase I ready for opening



# Accelerating Asset-light Business Development

Turn Core Competence  
into Market Productivity

## Consultancy & Management Services

- 12 On-going and completed projects with 14 under negotiation
- Established business platform and core team
- Further modularized and marketized product and service system

## Interactive Technology + Children's Entertainment Products

- Embedded model: Mermaid Dreamland successfully opened in Chengdu, including 14 interactive multimedia products with self-owned IP rights
- Mobile model: ocean carnivals successfully launched in Daqing, and signed agreement with Shenyang client

## Creative IP and derivative products

- Self-developed illustrated book series, themed films and theatrical shows & 4D film
- Monetizing IP by developing widely recognized IP derivative products



# Outlook



**NO.1 Marine-Cultural Tourism and Leisure Brand in China  
Become An International Marine Related Tourism Platform Enterprise**

**Consolidate**

## Tourism and Leisure Destination Model

### Epitaxial Expansion

- ✓ Strategic planning around the nation
- ✓ Marine-culture diversified and interactive business model
- ✓ Crossover cooperation with leading enterprises in each field

**Expand**

### Regional Tourism and Leisure Destination Model

- ✓ Upgrade the existing parks
- ✓ Integrate and optimize the business portfolio

**Extend**

## Marine Culture-Themed Innovative Business Model

### Innovative Business Model

- ✓ Aquarium Consultancy & Management Services
- ✓ Interactive Technology & Children's Entertainment Products
- ✓ Marine-Themed Entertainment Products & Creative IP



Thanks!

