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## **HAICHANG OCEAN PARK HOLDINGS LTD.**

**海昌海洋公園控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2255)**

### **MAJOR TRANSACTION ACQUISITION OF LAND USE RIGHTS IN SANYA**

#### **ACQUISITION OF LAND USE RIGHTS**

The Board is pleased to announce that Haichang Jiade, an indirectly wholly-owned subsidiary of the Company, has succeeded in the bid of the land use rights of the Land offered for sale by Resources and Planning Bureau of Sanya through the listing-for-sale process organised by the Organiser on 25 September 2020 for a consideration of RMB1,333,330,000 (equivalent to approximately HK\$1,496,662,925) and has executed the Bid Confirmation on the same day. The Land will be used for the development of auxiliary theme hotels and leisure and vacation properties of the Group's Sanya Haichang Fantasy Town Project.

As a result of the successful bidding, the Land Use Rights Grant Contract is expected to be entered into between Haichang Jiade and Resources and Planning Bureau of Sanya before 14 October 2020.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Haichang Jiade is an indirect wholly-owned subsidiary of the Company. As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is also a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of land use rights of state-owned land in the PRC from a PRC Governmental Body through a tender, auction or listing-for sale governed by PRC law (as defined under Rule 19A.04 of the Listing Rules). Under Rule 14.33A of the Listing Rules, the Acquisition is exempt from the shareholders' approval requirement as it is undertaken on a sole basis by the Company (through Haichang Jiade) in its ordinary and usual course of business.

#### **DESPATCH OF CIRCULAR**

A circular containing the information required under the Listing Rules in relation to the Acquisition will be despatched to the Shareholders as soon as possible, which is expected to be on or before 19 October 2020.

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## PRINCIPAL TERMS OF THE BID CONFIRMATION AND THE ACQUISITION

Date of the Bid Confirmation:	25 September 2020
Parties to the Bid Confirmation:	Haichang Jiade and the Organiser
Expected date of the Land Use Rights Grant Contract:	Before 14 October 2020
Parties to the Land Use Rights Grant Contract:	Haichang Jiade and Resources and Planning Bureau of Sanya
Code of the Land:	Land numbered G-01-02 and located at Linwang District, Haitang Bay, Sanya* (三亞市海棠灣林旺片區G-01-02地塊)
Location of the Land:	Located at the center of Sanya Haitang Bay on the national coast, east to Haitang South Road, west to Longjiang River, south to Tonghai Road and north to Sanya Haichang Fantasy Town
GFA/plot ratio:	A total of 164,022.11 sq.m., with a plot ratio of not over 0.78
Nature of the land use rights:	Hotel use (land use code: B14)
Term of land use rights:	40 years
Land premium and payment term:	RMB 1,333,330,000 (equivalent to approximately HK\$1,496,662,925), of which RMB263,970,000 (equivalent to approximately HK\$296,306,325) has been paid as security deposit and the remaining balance shall be settled in accordance with the Land Use Rights Grant Contract
Organiser's commission:	Haichang Jiade shall pay a sum of RMB300,000 (equivalent to approximately HK\$336,750) to the Organiser for the services rendered by it within three business days after the date of the Bid Confirmation

Land Use Rights Grant Contract: Haichang Jiade shall sign the Land Use Rights Grant Contract with Resources and Planning Bureau of Sanya before 14 October 2020

Consequence of breach: In the event of breach of the Bid Confirmation or not signing the Land Use Rights Grant Contract within the time limit, Haichang Jiade shall be deemed to have given up the land use rights of the Land, the security deposit shall be forfeited and shall bear the related legal responsibilities

## **CONSIDERATION**

The total consideration of the Acquisition (i.e. the Land Premium), including a security deposit of RMB263,970,000 (equivalent to approximately HK\$296,306,325) but excluding the Organiser's commission of RMB300,000 (equivalent to approximately HK\$336,750), of RMB1,333,330,000 (equivalent to approximately HK\$1,496,662,925) was the final bidding price offered by Haichang Jiade as the bidder at the listing-for-sale for the land use rights of the Land. The security deposit has been paid by Haichang Jiade for participating in the bidding of the Land. The remaining balance shall be settled in accordance with the Land Use Rights Grant Contract.

The Board considers that the Land Premium is fair and reasonable having taking into account minimum bidding price, the demand of land of the Group, current market conditions, the location and development potential of the Land. The amount of the total consideration paid and to be paid by Haichang Jiade will be satisfied by the internal resources of the Group.

## **REASON FOR AND BENEFITS OF THE ACQUISITION**

Haichang Jiade is an indirect wholly-owned subsidiary of the Company. The Group is principally engaged in the development, construction and operation of theme parks, property development and investment, hotel operations and provision of consultancy and management services in the PRC.

Sanya Haichang Fantasy Town (the “**Sanya Town Project**”) was officially put into operation on 20 January 2019. It covers an area of about 232,500 square meters with a gross floor area of about 68,000 square meters. Located at the center of Sanya Haitang Bay on the national coast (No. 168, Coastal Avenue, Haitang District, Sanya City, Hainan Province), the Sanya Town Project is a domestic immersive marine recreation complex which integrates cultural tourism, entertainment experience and innovative business. With more than a year of operation, the project has effectively enriched the in-depth experience of Sanya tourism and has become one of the benchmark projects of Sanya's “night-time economy”.

In June 2020, the “Master Plan for the Construction of Hainan Free Trade Port” (《海南自由貿易港建設總體方案》) was introduced, proposing the focus on the construction of an international tourism and consumption center to promote the in-depth integration of tourism and related industries, develop characteristic tourism industrial clusters, cultivate new formats and new models of tourism, build a demonstration province in all-for-one tourism, and vigorously develop the tourism industry as an important part of the construction of the master plan system, which brings new development opportunities for Hainan and Sanya.

The Land is adjacent to the Sanya Town Project and will be used for the development and operation of auxiliary theme hotels and leisure and vacation properties. The Board believes that the construction of theme hotels and leisure and vacation properties will help optimise and strengthen the types of operation of the Sanya Town Project, enhance the quality and promote the upgrade of the Sanya Town Project, and further strengthen the attractiveness and profitability of the Sanya Town Project.

The Directors consider that the Acquisition is in the ordinary and usual course of business. The Director further consider that the Acquisition is in the interests of the Company and its Shareholders as a whole and the terms thereof are on normal commercial terms which are fair and reasonable.

## **INFORMATION ABOUT RESOURCES AND PLANNING BUREAU OF SANYA AND THE ORGANISER**

### **Resources and Planning Bureau of Sanya**

Resources and Planning Bureau of Sanya is a PRC Government Body and is responsible for, among other things, the environment protection and planning, administering, protecting and reasonably using of land and mineral resources in Sanya and issue of different land certificates.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Resources and Planning Bureau of Sanya and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (within the meaning ascribed to it under the Listing Rules).

### **The Organiser**

Entrusted by Resources and Planning Bureau of Sanya, the Organiser was responsible for the listing-for-sale process of the Land and entered into the Bid Confirmation with the bid winner.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Organiser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (within the meaning ascribed to it under the Listing Rules).

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is also a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of land use rights of state-owned land in the PRC from a PRC Governmental Body through a tender, auction or listing-for sale governed by PRC law (as defined under Rule 19A.04 of the Listing Rules). Under Rule 14.33A of the Listing Rules, the Acquisition is exempt from the shareholders' approval requirement as it is undertaken on a sole basis by the Company (through Haichang Jiade) in its ordinary and usual course of business.

## DESPATCH OF CIRCULAR

A circular containing the information required under the Listing Rules in relation to the Acquisition will be despatched to the Shareholders as soon as possible, which is expected to be on or before 19 October 2020.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of the land use rights of the Land pursuant to the Land Use Rights Grant Contract
“Bid Confirmation”	the bid confirmation (掛牌出讓成交確認書) in connection with the Acquisition issued by the Organiser to and executed by Haichang Jiade on 25 September 2020 confirming the successful bidding
“Board”	the board of Directors
“Company”	Haichang Ocean Park Holdings Ltd., a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	collectively, the Company and its subsidiaries
“Haichang Jiade”	Dalian Haichang Jiade Real Estate Development Co., Ltd.* (大連海昌嘉德置業發展有限公司), a company incorporated in Dalian with limited liability on 4 September 2020 and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the parcel of land numbered G-01-02 and located at Linwang District, Haitang Bay, Sanya* (三亞市海棠灣林旺片區G-01-02地塊)
“Land Premium”	the consideration of the Acquisition
“Land Use Rights Grant Contract”	the land use rights grant contract (國有建設用地使用權出讓合同) in connection with the Acquisition expected to be entered into between Haichang Jiade and Resources and Planning Bureau of Sanya before 14 October 2020

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Organiser”	Hainan South Auction Market Limited* (海南南部拍賣市場有限公司)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Government Body”	has the meaning as defined in Rule 19A.04 of the Listing Rules
“Qualified Property Acquisition”	has the same meaning as defined in Rule 14.04(10C) of the Listing Rules
“Resources and Planning Bureau of Sanya”	Resources and Planning Bureau of Sanya City* (三亞市自然資源和規劃局), a PRC Government Body responsible for administering land resources under the Sanya City People’s Government
“RMB”	Renminbi, the lawful currency of the PRC
“Sanya”	Sanya City, Hainan Province, the PRC
“Shareholder(s)”	shareholder(s) of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Haichang Ocean Park Holdings Ltd.**  
**Wang Xuguang**  
*Executive Director and Chief Executive Officer*

Shanghai, the People’s Republic of China, 27 September 2020

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

*In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.1225 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates.*