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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHTS IN SHANGHAI

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that Haichang (China) Investment (an indirect wholly-owned subsidiary of the Company) and Harbour City Group, as a consortium, succeeded in the bid of the land use rights of the Land offered for sale by Shanghai Natural Resources and Planning Bureau through a public listing process organised by the Organiser on 22 January 2021 for a consideration of RMB366,860,000 (equivalent to approximately HK\$439,204,792) and executed the Bid Confirmation on the same day. The Land will be used for the development of an auxiliary ocean-themed cultural, recreational and commercial street complex of the Group's Shanghai Haichang Ocean Park project jointly by the Group and Harbour City Group.

As a result of the successful bidding, the Land Use Rights Grant Contract was entered into between the consortium and Shanghai Natural Resources and Planning Bureau on 26 January 2021.

IMPLICATIONS UNDER THE LISTING RULES

Haichang (China) Investment is an indirect wholly-owned subsidiary of the Company and has an investment of 25% in the consortium. As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement.

ACQUISITION OF LAND USE RIGHTS

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PRINCIPAL TERMS OF THE BID CONFIRMATION AND THE ACQUISITION

Date of the Bid Confirmation:	22 January 2021
Parties to the Bid Confirmation:	Haichang (China) Investment, Harbour City Group and the Organiser
Date of the Land Use Rights Grant Contract:	26 January 2021
Parties to the Land Use Rights Grant Contract:	Haichang (China) Investment, Harbour City Group and Shanghai Natural Resources and Planning Bureau
Land lot number:	Land parcel numbered WNW-C3A-02 and located in unit NHC10101 of Lingang New Area of Shanghai Free Trade Zone* (上海市自貿區臨港新片區NHC10101單元WNW-C3A-02地塊)
Location of the Land:	Located in Lingang New Area, east to Yin Fei Road* (銀飛路) and land parcel numbered WNW-C3A-03, south to land parcel numbered WNW-C3A-01 and land parcel numbered WNW-C3A-03, west to land parcel numbered WNW-C3A-01 and north to land parcel numbered WNW-C3A-01.
Site area/plot ratio:	A total of 39,999.70 sq.m., with a plot ratio of 2.0
Nature of the land use rights:	Commercial use, catering and hospitality use
Term of land use rights:	40 years
Consideration of the Acquisition and payment terms:	RMB366,860,000 (equivalent to approximately HK\$439,204,792), of which RMB73,380,000 (equivalent to approximately HK\$87,850,536) has been paid as security deposit and the remaining balance shall be settled within 90 days from the date of the Land Use Rights Grant Contract and in accordance with the Land Use Rights Grant Contract

The Land Use Rights Grant Contract:	Haichang (China) Investment and Harbour City Group, as a consortium, signed the Land Use Rights Grant Contract with Shanghai Natural Resources and Planning Bureau on 26 January 2021
Consequence of breach:	In the event of breach of the Bid Confirmation or failing to sign the Land Use Rights Grant Contract within the time limit, Haichang (China) Investment and Harbour City Group, as a consortium, shall be deemed to have given up the land use rights of the Land, the security deposit shall be forfeited and they shall bear the related legal liabilities

CONSIDERATION

The total consideration of the Acquisition, including a security deposit of RMB73,380,000 (equivalent to approximately HK\$87,850,536) of RMB366,860,000 (equivalent to approximately HK\$439,204,792) represents the final bidding price offered by Haichang (China) Investment and Harbour City Group, as a consortium, in the public listing-for-sale process for the land use rights of the Land. The security deposit has been paid by the consortium for participating in the bidding of the Land. The remaining balance shall be settled in accordance with the Land Use Rights Grant Contract.

Haichang (China) Investment has an investment of 25% in the consortium and Harbour City Group has an investment of 75% in the consortium. Upon entering into the Land Use Rights Grant Contract, both parties shall establish a project company on the basis of the above investment proportions for the purposes of acting as a landholder and a subsequent developer.

The Board considers that the consideration of the Acquisition is fair and reasonable having taken into account the minimum bidding price, the demand for 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 (China) Investment has been or will be satisfied by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Shanghai Haichang Ocean Park project was officially put into operation on 16 November 2018. It covers a site area of about 297,000 sq.m. with a GFA of about 205,000 sq.m.. Situated at the lakeside of Dishui Lake* (滴水湖) in Lingang New Area of Shanghai Free Trade Zone (No. 166 Yin Fei Road, Nanhui New City, Pudong New District, Shanghai* (上海市浦東新區南匯新城銀飛路166號)), the project is an ocean theme amusement park which integrates such features as animal exhibits, themed entertainment, cultural leisure, popular science and spectacular shows. Since its inception, the project has run smoothly and has been highly rated by visitors nationwide. It has become a fresh identity and a new landmark for the tourism of Shanghai.

Located at the opposite side of the main entrance of Shanghai Haichang Ocean Park, the Land is positioned as an ocean-themed cultural, recreational and commercial street complex. The subsequent development and construction of the project will be jointly procured by the Group and Harbour City Group. Upon completion, the project will be operated and managed by Shanghai Haichang Ocean Park on a centralised basis.

The completion of the project will further expand the space for ocean-themed leisure and entertainment, absorb the consumption spillover from ocean parks and peripheral cultural tourism projects, supplement the demand for resort accommodation in theme parks, improve the traffic arrangements for regional tourism consumption, enhance carparking and hospitality capabilities and further cement the foundation for developing it as Haichang's ocean-themed tourism and leisure resort in Lingang with international influence.

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

INFORMATION ABOUT THE PARTIES

Haichang (China) Investment 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.

Harbour City Group was established in 2002 and is a major district-level state-owned developer in Pudong New District. It has a registered capital of RMB5.675 billion (equivalent to approximately HK\$6.794 billion) and current assets of RMB34.5 billion (equivalent to approximately HK\$41.3 billion). Being the very first developer established in Lingang New Area, it is engaged in a number of business sectors including real estate development, engineering construction, city operation and maintenance, industrial development, cultural tourism hotels and others. It has 19 wholly-controlled companies and more than 1,000 employees.

Shanghai Natural Resources and Planning Bureau is a PRC Government Body and is responsible for, among other things, environmental protection and the planning, administration, protection and reasonable use of land and mineral resources in Shanghai, and the grant of all types of land use certificates.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Harbour City Group and Shanghai Natural Resources and Planning Bureau and their respective 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).

IMPLICATIONS UNDER THE LISTING RULES

For the purpose of Rule 14.07 of the Listing Rules, as the applicable percentage ratio(s) is/are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement.

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 executed by the Organiser, Haichang (China) Investment and Harbour City Group on 22 January 2021 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 (China) Investment”	Haichang (China) Investment Co., Ltd.* (海昌(中國)投資有限公司), a company established in Shanghai, PRC with limited liability on 23 November 2015, is an indirect wholly-owned subsidiary of the Company
“Harbour City Group”	Shanghai Harbour City Development (Group) Co., Ltd.* (上海港城開發(集團)有限公司), a company established in Shanghai, PRC with limited liability on 13 March 2002
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land parcel numbered WNW-C3A-02 and located in unit NHC10101 of Lingang New Area of Shanghai Free Trade Zone* (上海市自貿區臨港新片區NHC10101單元WNW-C3A-02地塊)
“Land Use Rights Grant Contract”	the state-owned construction land use rights grant contract* (國有建設用地使用權出讓合同) in connection with the Acquisition entered into among Haichang (China) Investment, Harbour City Group and Shanghai Natural Resources and Planning Bureau on 26 January 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Organiser”	Shanghai Land Transaction Centre*(上海市土地交易事務中心)
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao 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
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai”	Shanghai Municipal of the PRC
“Shanghai Natural Resources and Planning Bureau”	Shanghai Natural Resources and Planning Bureau* (上海市自然資源和規劃局), a PRC Government Body responsible for the administration of land resources under the Shanghai Municipal People’s Government
“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, 26 January 2021

As at the date of this announcement, the executive Directors 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.

English names marked with “” are translations of their Chinese names and are included in this announcement for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.1972 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.