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HAICHANG HOLDINGS LTD.

海昌控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2255)

DISCLOSEABLE TRANSACTIONS ACQUISITIONS OF LAND PLOTS FOR THE DEVELOPMENT OF SHANGHAI HAICHANG POLAR OCEAN WORLD

THE LAND PLOTS AND THE BID CONFIRMATIONS

The Board is pleased to announce that on 16 January 2015, the Group, through the Purchaser, won the bids of RMB315.2 million for the land use rights in respect of the Land Plot One and RMB412.9 million in total for the land use rights in respect of the Land Plot Two and the Land Plot Three, through the listing-for-sale procedures of the Land Plots as evidenced by the Bid Confirmations. The Land Plots will be used for the development of the park portion of the Group's flagship marine theme park, Shanghai Haichang Polar Ocean World, which will comprise a theme park and ancillary hotels.

The Land Plots in aggregate have a total site area of approximately 297,155 sq. m. with a total planned GFA of approximately 190,152 sq. m. (both above and below the ground). As disclosed in the Announcement, the Land Plots are conveniently located in the north-west side of Dishui Lake, Lingang New City of Shanghai, and are close to the Shanghai metro system and the main highway connecting the Shanghai city area and Lingang New City. The Board believes that the Land Plots are more easily accessible by transportation than the Original Land Plot.

THE LAND GRANT CONTRACTS

On 16 January 2015, pursuant to the Bid Confirmations, the Purchaser entered into the Land Grant Contracts with the Vendor in connection with the Acquisitions.

IMPLICATIONS UNDER THE LISTING RULES

Aggregating the Acquisitions under the Land Grant Contracts in accordance with Rule 14.22 of the Listing Rules, the aggregate consideration involved is approximately RMB728.1 million. As the applicable percentage ratios are more than 5% but less than 25%, the Acquisitions constitute discloseable transactions for the Company and are subject to the announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

Reference is made to the Prospectus and the Announcement in relation to, among other things, Shanghai Haichang Polar Ocean World, the Investment Agreement, the Supplemental Agreement and the relocation of the land plot for the development of the park portion of the project. Unless otherwise defined herein, terms and expressions used in this announcement shall have the same meanings as those defined in the Prospectus and the Announcement.

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The Land Plots in aggregate have a total site area of approximately 297,155 sq. m. with a total planned GFA of approximately 190,152 sq. m. (both above and below the ground). As disclosed in the Announcement, the Land Plots are conveniently located in the north-west side of Dishui Lake, Lingang New City of Shanghai, and are close to the Shanghai metro system and the main highway connecting the Shanghai city area and Lingang New City. The Board believes that the Land Plots are more easily accessible by transportation than the Original Land Plot.

THE LAND GRANT CONTRACTS

On 16 January 2015, pursuant to the Bid Confirmations, the Purchaser entered into the Land Grant Contracts with the Vendor in connection with the Acquisitions.

The Land Grant Contract One

The principal terms of the Land Grant Contract One are as follows:

Date

16 January 2015

Parties

Vendor : Shanghai Municipal Bureau of Planning and Land Resources

Purchaser : Shanghai Haichang Polar Ocean World Co., Ltd.

Subject Matter

The Land Plot One, which is situated in the north-west side of Dishui Lake, Lingang New City of Shanghai, the PRC and has a site area of approximately 145,551 sq. m., with a total planned GFA of approximately 72,587 sq. m. (both above and below the ground).

The Land Plot One is for public cultural and sports use.

The Land Plot One shall be used for the development of tourism and cultural project with social welfare and public nature, integrating marine and polar animals showcase and marine culture public education. The project shall comprise (i) marine animals showcase, (ii) promotion of marine knowledge and culture and (iii) public science education exhibitions on areas such as polar geography. Furthermore, the project shall be managed and operated by a management team with international standard management skills in the operation of marine animals showcase venues in the PRC.

Consideration and Payment Terms

The consideration for the acquisition of the land use right of the Land Plot One is approximately RMB315.2 million, which was arrived at after a public listing-for-sale process organised and held by Shanghai Land Transaction Centre. In determining the bidding price for the Land Plot One, the Group has taken into account various factors including the market value of comparable land located in the vicinity of the Land Plots, the current property market environment in Shanghai, the development potential of the said land plot and the potential revenue to be generated from Shanghai Haichang Polar Ocean World. The Purchaser will satisfy the consideration from the net proceeds obtained from the Listing of the Group and the consideration will be paid in cash. Please refer to the section headed “Future Plans and Use of Proceeds” of the Prospectus for further details.

Within five business days and 30 business days from the execution of the Land Grant Contract One, the Purchaser shall pay 20% of the consideration as deposit and the balance of the consideration, respectively.

Term of the Land Use Right and Extension

The term of the land use right shall be 50 years commencing from the delivery of the land plot to the Purchaser. If the Purchaser intends to extend the term, the Purchaser shall submit an application for extension to the Vendor at least one year prior to the expiration of the original term.

Delivery and Construction of the Land Plot

The Land Plot One will be delivered to the Purchaser within 40 business days from the execution of the Land Grant Contract One. The Purchaser shall commence construction of the land plot within one year upon the delivery of the land and complete the construction within three years from the commencement of construction.

The Land Grant Contract Two

The principal terms of the Land Grant Contract Two are as follows:

Date

16 January 2015

Parties

Vendor : Shanghai Municipal Bureau of Planning and Land Resources

Purchaser : Shanghai Haichang Polar Ocean World Co., Ltd.

Subject Matter

The Land Plot Two and the Land Plot Three, which are both situated in the north-west side of Dishui Lake, Lingang New City of Shanghai, the PRC and have a total site area of approximately 151,604 sq. m., with a total planned GFA of approximately 117,565 sq. m. (both above and below the ground).

The Land Plot Two is for public cultural and sports use, whereas the Land Plot Three is for catering and hospitality use.

The Land Plot Two shall be used for the development of tourism and cultural project with social welfare and public nature, integrating marine and polar animals showcase and marine culture public education. The project shall comprise (i) marine animals showcase, (ii) promotion of marine knowledge and culture and (iii) public science education exhibitions on areas such as polar geography. Furthermore, the project shall be managed and operated by a management team with international standard management skills in the operation of marine animals showcase venues in the PRC.

The Land Plot Three shall be used for the development of recreational hotels ancillary to the theme park with a total GFA of not less than 24,000 sq. m. and its construction and operation shall commence at the same time as that of the theme park to be constructed on the Land Plot One and the Land Plot Two.

Consideration and Payment Terms

The total consideration for the acquisition of the land use rights of the Land Plot Two and the Land Plot Three is approximately RMB412.9 million, which was arrived at after a public listing-for-sale process organised and held by Shanghai Land Transaction Centre. In determining the bidding price for the Land Plot Two and the Land Plot Three, the Group has taken into account various factors including the market value of comparable land located in the vicinity of the Land Plots, the current property market environment in Shanghai, the development potential of the said land plots and the potential revenue to be generated from Shanghai Haichang Polar Ocean World. The Purchaser will satisfy the consideration from the net proceeds obtained from the Listing of the Group and the consideration will be paid in cash. Please refer to the section headed “Future Plans and Use of Proceeds” of the Prospectus for further details.

Within five business days and 30 business days from the execution of the Land Grant Contract Two, the Purchaser shall pay 20% of the consideration as deposit and the balance of the consideration, respectively.

Term of the Land Use Rights and Extension

For cultural purposes, the term of the land use right shall be 50 years commencing from the delivery of the land plot to the Purchaser. For catering and hospitality purposes, the term of the land use right shall be 40 years commencing from the delivery of the land plot to the Purchaser. If the Purchaser intends to extend the term, the Purchaser shall submit an application for extension to the Vendor at least one year prior to the expiration of the relevant original term.

Delivery and Construction of the Land Plot

The Land Plot Two and the Land Plot Three will be delivered to the Purchaser within 40 business days from the execution of the Land Grant Contract Two. The Purchaser shall commence construction of the land plots within one year upon the delivery of the land and complete the construction within three years from the commencement of construction.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Land Plots are designated for the development of the park portion of Shanghai Haichang Polar Ocean World, which is expected to be developed into a flagship marine theme park of the Group. As disclosed in the Prospectus, the Group plans to develop this flagship project into a world-class marine theme park with interesting exhibitions, strong science-themed interaction between the exhibits and the audience, entertaining interactive activities and exciting performances. The marine theme park will showcase marine animals from the north and south poles, marine fishes and marine wildlife together with large-scale amusement equipment, special effects films, animal performances and water-borne parades.

Establishment of Shanghai Haichang Polar Ocean World will be regarded as a key business development milestone of the Group as Shanghai Haichang Polar Ocean World will be the first flagship marine theme park of the Group and the theme parks portfolio of the Group will be further expanded. The Board believes that Shanghai Haichang Polar Ocean World will help to materialise the Group's geographical strategy with respect to the Yangtze River Delta region and the first-tier cities in the PRC and to strengthen the Group's status as a leading developer and operator of theme parks and ancillary commercial properties in the PRC. The Board also believes that it will help to promote the brand name of the Group and increase the recognition of the Group, which in turn will help to attract more domestic and foreign tourists to visit the theme parks and ancillary commercial properties operated and managed by the Group, and thus allow the Group to generate a higher overall revenue.

Based on the above, the Directors believe that the terms of the Land Grant Contracts and the Acquisitions are fair and reasonable to the Group and are in the interests of the Company and its Shareholders as a whole. Furthermore, the Directors also believe that, by comprehensive evaluation, the consideration for the Acquisitions is consistent with the expectation of the Group.

INFORMATION ON THE PURCHASER, THE VENDOR AND THE GROUP

The Purchaser

The Purchaser is a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company. The Purchaser will be the holding company of Shanghai Haichang Polar Ocean World and the corresponding assets and properties. It will principally engage in the development, operation and management of Shanghai Haichang Polar Ocean World.

The Vendor

The Vendor is a governmental body in the PRC and is responsible for, among other things, administering the examination and approval of land planning, assignment and transfer of the land use rights of the State-owned land in Shanghai Municipal, the PRC, and issue of different land certificates.

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

The Group

The Group is principally engaged in the development and operation of theme parks and ancillary commercial properties in the PRC. It currently operates six marine theme parks, one adventure-themed amusement park and a water park across the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Aggregating the Acquisitions under the Land Grant Contracts in accordance with Rule 14.22 of the Listing Rules, the aggregate consideration involved is approximately RMB728.1 million. As the applicable percentage ratios are more than 5% but less than 25%, the Acquisitions constitute discloseable transactions for the Company and are subject to the announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Acquisitions”	collectively, the acquisitions of the land use rights of the Land Plots pursuant to the Land Grant Contracts
“Announcement”	the announcement of the Company dated 3 July 2014 in relation to the update on the recent development of Shanghai Haichang Polar Ocean World
“Bid Confirmation One”	the bid confirmation in connection with the Land Plot One issued by Shanghai Land Transaction Centre to the Purchaser on 16 January 2015
“Bid Confirmation Two”	the bid confirmation in connection with the Land Plot Two and the Land Plot Three issued by Shanghai Land Transaction Centre to the Purchaser on 16 January 2015
“Bid Confirmations”	collectively, the Bid Confirmation One and the Bid Confirmation Two
“Board”	the board of Directors
“Company”	Haichang 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
“Land Grant Contract One”	the land use right transfer contract dated 16 January 2015 and entered into between the Vendor and the Purchaser in respect of the Land Plot One
“Land Grant Contract Two”	the land use right transfer contract dated 16 January 2015 and entered into between the Vendor and the Purchaser in respect of the Land Plot Two and the Land Plot Three
“Land Grant Contracts”	collectively, the Land Grant Contract One and the Land Grant Contract Two
“Land Plot One”	the land plot WNW-C3-03 located in unit NHC10101 of Lingang Main City Zone
“Land Plot Three”	the land plot WNW-C3-05 located in unit NHC10101 of Lingang Main City Zone
“Land Plot Two”	the land plot WNW-C3-04 located in unit NHC10101 of Lingang Main City Zone
“Land Plots”	collectively, the Land Plot One, the Land Plot Two and the Land Plot Three
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	has the meaning ascribed to it in Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated 28 February 2014
“Purchaser”	上海海昌極地海洋世界有限公司(Shanghai Haichang Polar Ocean World Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Land Transaction Centre”	上海市土地交易事務中心(Shanghai Land Transaction Centre*)

“Shareholder(s)”	shareholder(s) of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	上海市規劃和國土資源管理局(Shanghai Municipal Bureau of Planning and Land Resources*)
“%”	per cent.

On behalf of the Board
Haichang Holdings Ltd.
Wang Xuguang
Executive Director and Chief Executive Officer

Dalian, the PRC, 18 January 2015

As at the date of this announcement, the executive directors of the Company are Mr. Wang Xuguang, Mr. Zhao Wenjing and Mr. Qu Naiqiang; the non-executive directors of the Company are Mr. Qu Naijie, Mr. Makoto Inoue and Mr. Yuan Bing; and the independent non-executive directors of the Company are Prof. Fang Hongxing, Mr. Sun Jianyi and Prof. Xie Yanjun.

* *For Identification purpose only*