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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)**

### **CONTINUING CONNECTED TRANSACTIONS PROPERTY LEASING AGREEMENT**

The Board would like to announce that, on 18 April 2016, Haichang China as lessor entered into the Property Leasing Agreement with Haichang Enterprise Development, pursuant to which, Haichang Enterprise Development agreed to lease from Haichang China (i) the Property I for a term commencing from 1 January 2016 to 31 March 2017 and (ii) the Property II for a term commencing from 1 April 2017 to 31 December 2018 respectively.

#### **LISTING RULES IMPLICATION**

Haichang Enterprise Development is a connected person of the Company under the Listing Rules by virtue of it being wholly-owned by a non-executive Director and controlling shareholder of the Company, namely, Mr. Qu and his associates. Accordingly, the transactions contemplated under the Property Leasing Agreement for the Company under Chapter 14A of the Listing Rules.

Further, since the Existing Property Leasing Agreements are similar in nature and each of the counterparty of these agreements are the associates of Mr. Qu, the transactions contemplated under the Property Leasing Agreement will be aggregated with those transactions contemplated under the Existing Property Leasing Agreements pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules.

As the highest applicable percentage ratios in respect of the Annual Caps, on an aggregate basis, exceed 0.1% but are below 5%, the Property Leasing Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **DETAILS OF THE PROPERTY LEASING AGREEMENT**

The Board would like to announce that, on 18 April 2016, Haichang China as lessor entered into the Property Leasing Agreement with Haichang Enterprise Development, pursuant to which, Haichang Enterprise Development agreed to lease from Haichang China (i) the Property I for a term commencing from 1 January 2016 to 31 March 2017; and (ii) the Property II for a term commencing from 1 April 2017 to 31 December 2018 respectively. The details of the Property Leasing Agreement are as follows:

**Date:** 18 April 2016

**Parties:** (1) Haichang China, as lessor; and  
(2) Haichang Enterprise Development, as lessee.

**Property I:** No. 137 Huale Street, Zhongshan District, Dalian City, Liaoning Province, China with a leased area of approximately of 6,365.07 meter squares.

**Property II:** No. 151 Huale Street, Zhongshan District, Dalian City, Liaoning Province, China with a leased area of approximately of 6,026.96 meter squares.

**Term:** For Property I: For a term commencing from 1 January 2016 and 31 March 2017.  
For Property II: For a term commencing from 1 April 2017 to 31 December 2018.

**Usage:** Office. The Properties shall not be used for any other purpose other than office.

**Rental:** For Property I: RMB400,000 per month (exclusive of property management fee and utilities of the Property I which are to be borne by the lessee) payable annually and shall be paid on the fifteenth day prior to the due date.  
For Property II: RMB400,000 per month (exclusive of property management fee and utilities of the Property II which are to be borne by the lessee) payable annually and shall be paid on the fifteenth day prior to the due date.

**Rental Free Period:** Nil.

#### **AGGREGATE ANNUAL CAPS AND THE BASIS FOR DETERMINATION**

The rent is determined after arm's length negotiations and is more favourable than the market rent for other comparable office buildings. The Directors are of the view that the terms of the Property Leasing Agreement and no less favourable to the Group than the terms available from independent third parties.

Since the Existing Property Leasing Agreements are similar in nature and each of the counterparty of these agreements are the associates of Mr. Qu, the transactions contemplated under the Property Leasing Agreement will be aggregated with those transactions contemplated under the Existing Property Leasing Agreements pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules. The Annual Caps are set out as follows:

	<b>For the year ending 31 December 2016</b>	<b>For the year ending 31 December 2017</b>	<b>For the year ending 31 December 2018</b>
Annual caps for the Property Leasing Agreement	RMB4,800,000 (equivalent to approximately HK\$6,048,000)	RMB4,800,000 (equivalent to approximately HK\$6,048,000)	RMB4,800,000 (equivalent to approximately HK\$6,048,000)
Annual caps for the Existing Property Management Agreements	RMB9,934,790 (equivalent to approximately HK\$12,517,835)	RMB7,695,390 (equivalent to approximately HK\$9,696,191)	–
Annual Caps	RMB14,734,790 (equivalent to approximately HK\$18,565,835)	RMB12,495,390 (equivalent to approximately HK\$15,744,191)	RMB4,800,000 (equivalent to approximately HK\$6,048,000)

The Directors (including the independent non-executive Directors) are of the view that as far as the shareholders of the Company are concerned, the Property Lease Agreement is entered into in the ordinary course of the Company's business, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **REASONS AND BENEFITS FOR ENTERING INTO THE PROPERTY LEASING AGREEMENT**

The Board is of the view that entering into the Property Leasing Agreement is beneficial to the Company and the shareholders as a whole as Haichang China can utilize its excess office space to create an additional source of income for the Group.

## **INFORMATION ON THE GROUP AND THE CONNECTED COUNTERPARTIES**

The Group is principally engaged in development and operation of theme parks and ancillary commercial properties in the PRC. Haichang China are indirect wholly-owned subsidiary of the Company, which is principally engaged in development and operation of theme parks and ancillary commercial properties in the PRC.

Haichang Enterprise Development is principally engaged in real estate development in the PRC.

## **IMPLICATIONS UNDER THE LISTING RULES**

Haichang Enterprise Development is a connected person of the Company under the Listing Rules by virtue of it being wholly-owned by a non-executive Director and controlling shareholder of the Company, namely, Mr. Qu and his associates. Accordingly, the transactions contemplated under the Property Leasing Agreement for the Company under Chapter 14A of the Listing Rules.

Further, since the Existing Property Leasing Agreements are similar in nature and each of the counterparty of these agreements are the associates of Mr. Qu, the transactions contemplated under the Property Leasing Agreement will be aggregated with those transactions contemplated under the Existing Property Leasing Agreements pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules.

As the highest applicable percentage ratios in respect of the Annual Caps, on an aggregate basis, exceed 0.1% but are below 5%, the Property Leasing Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Qu, a non-executive Director and a controlling shareholder of the Company, has material interests in the transactions contemplated under the Property Leasing Agreement and has abstained from voting on the Board resolutions approving the Property Leasing Agreement and the transactions contemplated thereunder. Furthermore, Mr. Wang Xuguang, an executive Director, has also abstained from voting on the above resolutions as he is the general manager of Haichang Enterprise Development.

## DEFINITIONS

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

“Annual Caps”	the estimated maximum aggregate annual amount of the rent payable by Haichang Enterprise Development to the Group pursuant to the Property Leasing Agreement for the three year ending 31 December 2018
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Haichang China”	海昌(中國)有限公司 (Haichang (China) Co., Ltd.#), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Haichang Enterprise Development”	大連海昌企業發展有限公司 (Dalian Haichang Enterprise Development Co., Ltd.#), a company established in the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Qu”	Mr. Qu Naijie, a non-executive Director and a controlling shareholder of the Company
“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
“Property I”	No. 137 Huale Street, Zhongshan District, Dalian City, Liaoning Province, China with a leased area of approximately of 6,365.07 meter squares
“Property II”	No. 151 Huale Street, Zhongshan District, Dalian City, Liaoning Province, China with a leased area of approximately of 6,026.96 meter squares
“Properties”	collectively, the Property I and the Property II
“Property Leasing Agreement”	the property leasing agreement dated 18 April 2016 entered into between Haichang China as lessor and Haichang Enterprise Development as lessee in relation to the rental of the Properties
“Existing Property Leasing Agreement I”	the property leasing agreement dated 14 October 2014 entered into between Haichang China as lessor and Shibo Real Estate as lessee in relation to Shop No.701 in Dalian Laohutan Fishermen’s Wharf, Dalian, details of which have been included in the announcement of the Company dated 14 October 2014
“Existing Property Leasing Agreement II”	the property leasing agreement dated 14 October 2014 entered into between Tianjin Polar as lessor and Tianjin Real Estate as lessee in relation to Shops No. 25-2, 25-3, 25-4 and 25-5 of Building No.25 in the commercial streets adjacent to Tianjin Polar Ocean World, details of which have been included in the announcement of the Company dated 14 October 2014
“Existing Property Leasing Agreement III”	the property leasing agreement dated 14 October 2014 entered into between Wuhan Polar as lessor and Wuhan Real Estate as lessee in relation to Shop No.301 in the commercial streets (phase 1) adjacent to Wuhan Polar Ocean World, details of which have been included in the announcement of the Company dated 14 October 2014
“Existing Property Leasing Agreement IV”	the property leasing agreement dated 14 October 2014 entered into between Wuhan Polar as lessor and Wuhan Real Estate as lessee in relation to Units No.01 and 02 of Shop No.409 in the commercial streets (phase 1) adjacent to Wuhan Polar Ocean World, details of which have been included in the announcement of the Company dated 14 October 2014

“Existing Property Leasing Agreement V”	the property leasing agreement dated 14 October 2014 entered into between Yantai Fishermen as lessor and Yantai Tourism Development as lessee in relation to Shop No.14 (eastern section) in Yantai Fishermen’s Wharf, Yantai, details of which have been included in the announcement of the Company dated 14 October 2014
“Existing Property Leasing Agreements”	collectively, the Existing Property Leasing Agreement I, the Existing Property Leasing Agreement II, the Existing Property Leasing Agreement III, the Existing Property Leasing Agreement IV and the Existing Property Leasing Agreement V
“RMB”	Renminbi, the lawful currency of the PRC
“Shibo Real Estate”	大連世博房地產開發有限公司 (Dalian Shibo Real Estate Development Co., Ltd.#), a company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Polar”	天津極地旅遊有限公司 (Tianjin Polar Tourism Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Tianjin Polar Ocean World”	a marine theme park in Tianjin operated by Tianjin Polar
“Tianjin Real Estate”	天津海昌房地產開發有限公司 (Tianjin Haichang Real Estate Development Co., Ltd.#), a company established in the PRC
“Wuhan Polar”	武漢極地海洋世界投資有限公司 (Wuhan Polar Ocean World Investment Co., Ltd.#), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Wuhan Polar Ocean World”	a marine theme park in Wuhan operated by Wuhan Polar
“Wuhan Real Estate”	武漢創富房地產開發有限公司 (Wuhan Chuangfu Real Estate Development Co., Ltd.#), a company established in the PRC
“Yantai Fishermen”	煙台漁人碼頭投資有限公司 (Yantai Fishermen’s Wharf Investment Co., Ltd.#), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Yantai Tourism Development”	煙台海昌旅遊發展有限公司 (Yantai Haichang Tourism Development Co., Ltd.#), a company established in the PRC
“%”	per cent.

# *The English translation of the Chinese name is for identification purposes only, and should not be regarded as the official English translation of such name.*

*In this announcement, RMB has been converted to HK\$ at the rate of RMB1= HK\$1.26 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 or at all.*

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

Dalian, the PRC, 18 April 2016

*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.*