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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 ZHENGZHOU

Reference is made to the announcement of the Company dated 15 June 2017 in relation to, among other things, the cooperation framework agreement.

ACQUISITION OF LAND USE RIGHTS IN ZHENGZHOU

The Board is pleased to announce that Henan Country Garden, being the main bidder, and Zhengzhou Haichang, being the joint bidder, have succeeded in the Bid for the land use rights of Land Plot A and Land Plot B for approximately RMB492,340,100 (equivalent to approximately HK\$565,068,580) and approximately RMB1,549,727,000 (equivalent to approximately HK\$1,778,652,672), respectively, through a listing-for-sale held by Zhongmou County Land and Resources Bureau on 9 June 2017, with the Bid Confirmation in respect of Land Plot A dated 13 June 2017 executed by Henan Country Garden (on behalf of Zhengzhou Haichang) and Zhongmou County Land and Resources Bureau.

The Land Use Rights Grant Contract is expected to be executed by Henan Country Garden and Zhongmou County Land and Resources Bureau by 23 June 2017. Zhengzhou Haichang, a wholly-owned subsidiary to be established by it or a member of the Group is expected to execute the Amendment Agreement to the Land Use Rights Grant Contract of State-owned Land# (《國有建設用地土地使用權出讓合同變更協議》) with Henan Country Garden and Zhongmou County Land and Resources Bureau in relation to Land Plot A and carry out land registration in its name by 30 June 2017.

The Group intends to utilise Land Plot A, being for commercial and recreational uses, for future development of the Zhengzhou Haichang Polar Ocean Park project, while Henan Country Garden will utilise Land Plot B, being for residential uses, for future development of residential projects.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios for the purpose of Rule 14.07 of the Listing Rules as set out in the Listing Rules in respect of the Transactions are more than 5% but less than 25%, the Transactions constitute a disclosable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to the requirements of reporting and announcement but exempt from Shareholders' approval requirement.

Reference is made to the announcement of the Company dated 15 June 2017 in relation to, among other things, the cooperation framework agreement.

JOINT BIDDING AGREEMENT

On 7 June 2017, Zhengzhou Haichang, an indirect wholly-owned subsidiary of the Company, entered into the Joint Bidding Agreement with Henan Country Garden, pursuant to which, Henan Country Garden, being the main bidder, and Zhengzhou Haichang, being the joint bidder, bid through a listing-for-sale held by Zhongmou County Land and Resources Bureau for the land use rights of Land Plot A and Land Plot B in the name of Henan Country Garden.

Two separate joint venture companies will be established by Zhengzhou Haichang and Henan Country Garden if the Bid for Land Plot A and Land Plot B is successful for the purpose of respective development of Land Plot A and Land Plot B.

ACQUISITION OF LAND USE RIGHTS IN ZHENGZHOU

Henan Country Garden, being the main bidder, and Zhengzhou Haichang, being the joint bidder, have succeeded in the Bid for the land use rights of Land Plot A and Land Plot B for approximately RMB492,340,100 (equivalent to approximately HK\$565,068,580) and approximately RMB1,549,727,000 (equivalent to approximately HK\$1,778,652,672), respectively, through a listing-for-sale held by Zhongmou County Land and Resources Bureau on 13 June 2017, with the Bid Confirmation in respect of Land Plot A dated 13 June 2017 executed by Henan Country Garden (on behalf of Zhengzhou Haichang) and Zhongmou County Land and Resources Bureau. Henan Country Garden is expected to execute the Land Use Right Grant Contract with Zhongmou County Land and Resources Bureau on 23 June 2017.

Zhengzhou Haichang, a wholly-owned subsidiary to be established by it or a member of the Group is expected to execute the Amendment Agreement to the Land Use Rights Grant Contract of State-owned Land# (《國有建設用地土地使用權出讓合同變更協議》) with Henan Country Garden and Zhongmou County Land and Resources Bureau in relation to Land Plot A and carry out land registration in its name by 30 June 2017.

The Group intends to use Land Plot A, being for commercial and recreational uses, for future development of the Zhengzhou Haichang Polar Ocean Park project, while Henan Country Garden will use Land Plot B, being for residential uses, for future development of residential projects.

PRINCIPAL TERMS OF THE BID CONFIRMATION OF LAND PLOT A

Date of the Bid Confirmation:	13 June 2017
Parties of the Bid:	(1) Zhongmou County Land and Resources Bureau (as the seller) (2) Henan Country Garden (as the buyer on behalf of Zhengzhou Haichang)
Expected date of the Land Use Rights Grant Contract:	23 June 2017
Parties to the Land Use Rights Grant Contract:	Henan Country Garden and Zhongmou County Land and Resources Bureau

Location of the lands:	two land plots in Zhengzhou respectively numbered Mou Zheng Chu [2017] No. 85# (牟政出[2017]85號) and Mou Zheng Chu [2017] No. 86# (牟政出[2017]86號), located in Zhengzhou International Cultural and Creative Industrial Park, south to Ping'an Avenue#, east to Wenchang Road# and west to Qingsha Street#
Total site area:	Approximately 424,692.2 sq.m.
Plot ratio:	Not more than 1.2 for Mou Zheng Chu [2017] No. 85# (牟政出[2017]85號) Not more than 0.5 for Mou Zheng Chu [2017] No. 86# (牟政出[2017]86號)
Expected aggregate GFA:	Not less than 200,000 sq.m.
Term of land use rights:	Mou Zheng Chu [2017] No.85# (牟政出[2017]85號) for commercial use: 40 years Mou Zheng Chu [2017] No.86# (牟政出[2017]86號) for commercial services and a comprehensive ocean park use: 40 years
Consideration:	Approximately RMB492,340,100 (equivalent to HK\$565,068,580), of which RMB260,000,000 (equivalent to HK\$298,407,200) has been paid by Zhengzhou Haichang through Henan Country Garden as security deposit and the remaining balance shall be settled in accordance with the Land Use Rights Grant Contract
Consequence of breach of terms of the Bid Confirmation:	If Henan Country Garden cannot perform in accordance with the terms set out in the relevant Bid Confirmation and/or other relevant bidding documents or cannot enter into the Land Use Rights Grant Contract within 30 days from the signing of the relevant Bid Confirmation, it will be deemed to have given up its successful bid and any security deposit paid by itself shall be forfeited by the Zhongmou County Land and Resources Bureau

CONSIDERATION

The consideration for the acquisition of Land Plot A of approximately RMB492,340,100 (equivalent to HK\$565,068,580) shall be payable by the registered owner, being Zhengzhou Haichang, its relevant subsidiary or the relevant member of the Group. Such consideration has been determined after the Bid in accordance with relevant laws and regulations of the PRC. In determining the target bidding price of the land plot, the Group has taken into considerations various factors, including the minimum land bidding price required by the government, the market price of comparable land in proximity to the land plot, the current Zhengzhou property market environment and the location and potential for future development of the land plots. The Board considers that such total consideration is fair and reasonable.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Pursuant to the Reply in respect of the granting of land use rights of eight state-owned construction lands through online listing-for-sale from the People's Government of Zhongmou County, Zhengzhou, Henan Province# (《河南省鄭州市中牟縣人民政府關於網上掛牌出讓八宗國有建設用地使用權的批復》), Land Plot A and Land Plot B shall be granted as an aggregate, and bidders shall quote and bid for such land plots as an aggregate, of which Land Plot A shall be complemented to include a comprehensive ocean park with an aggregate gross floor area of not less than 120,000 sq.m.. Specialised joint venture companies are intended to be established thereafter for the purpose of cooperation in the development, construction and operation of such lands and tourism resources with the advantages of both parties utilized to their fullest extent.

Zhengzhou, being recently positioned as a National Central City, a key gateway city in the Silk Road Economic Belt and the only sole-core big city in Central China, has a permanent resident population of over 10 million with remarkable siphonic effect. Zhengzhou is enjoying a rapid economic boost, with its gross domestic product increasing by double digits in recent years. Meanwhile, Zhengzhou serves as a transportation hub center for Central China, its all-around transportation system capable of reaching a population of approximately 300 million within its 1.5 hours traffic circle. Solid population base, healthy economic development and exceptionally expedient transportation conjointly provide favorable preconditions for the Group's large regional tourism destination projects in Zhengzhou. Land Plot A is located in Zhengzhou International Cultural and Creative Industrial Park, neighboring cultural and tourist projects such as Fangte Theme Paradise# (方特主題樂園), Huayi Brothers Movie Town# (華誼兄弟電影小鎮) and the Afforestation Garden# (綠博園) with the potential for realising cluster effect of cultural and tourist products in the future.

The Board considers that the acquisition of land use rights of Land Plot A for the Zhengzhou project is beneficial for the Group in developing its network in the tourism market of Central China, consolidating the Group's status as a leading corporation in marine theme park in the PRC. At the same time, the Zhengzhou project, being the first project that has been put into operation following the strategic cooperation between the Group and Country Garden, is beneficial in the achievement of advantageous resource complementation, improvement in the efficiency of project development and regional market maturity, and reduction of capital expenditure. The Board considers that the Transactions are 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.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Transactions are more than 5% but less than 25%, the Transactions constitute a disclosable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to the requirements of reporting and announcement but exempt from Shareholders' approval requirement.

GENERAL

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 China. Zhengzhou Haichang, an indirect wholly-owned subsidiary of the Company, is a company established in the PRC and is principally engaged in investment holding.

Henan Country Garden, an indirect wholly-owned subsidiary of Country Garden Holdings, is a company established in the PRC and is principally engaged in investment holding. Zhongmou County Land and Resources Bureau is a government department responsible for the planning and land management of Zhengzhou.

To the knowledge, information and belief of the Directors, having made all reasonable enquiries, Henan Country Garden, Country Garden Holdings and Zhongmou County Land and Resources Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Bid”	bid of the land use right arranged by Zhongmou County Land and Resources Bureau as the seller of the relevant land plots
“Bid Confirmation(s)”	the bid confirmation(s) issued by Zhongmou County Land and Resources Bureau confirming the result of the Bid
“Board”	the board of Directors of the Company
“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
“Country Garden Holdings”	Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 2007), and a leading real estate developer in the PRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Henan Country Garden”	Henan Country Garden Real Estate Limited# (河南碧桂園置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Country Garden Holdings, an independent third party of the Company

“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Bidding Agreement”	the joint bidding agreement dated 7 June 2017 entered into between Zhengzhou Haichang and Henan Country Garden, pursuant to which Henan Country Garden, as the main bidder, and Zhengzhou Haichang, as the joint bidder, shall bid the land use rights of Land Plot A and Land Plot B through a listing-for-sale organised by Zhongmou County Land and Resources Bureau in the name of Henan Country Garden
“Land Plot A”	comprises of two land plots (Mou Zheng Chu [2017] No.85 [#] (牟政出[2017]85號) and Mou Zheng Chu [2017] No.86 [#] (牟政出[2017]86號) located in Zhengzhou and is a land plot with total land area of approximately 424,692.2 square meters designated for commercial and business service purposes in Zhengzhou International Cultural and Creative Industrial Park [#] (鄭州國際文化創意產業園) situated at south of Pingan Road, east of Wenchang Road and west of Qingsha Street
“Land Plot B”	comprises of six land plots (Mou Zheng Chu [2017] No.101 [#] (牟政出[2017]106號), Mou Zheng Chu [2017] No.102 [#] (牟政出[2017]102號), Mou Zheng Chu [2017] No.103 [#] (牟政出[2017]106號), Mou Zheng Chu [2017] No.104 [#] (牟政出[2017]104號), Mou Zheng Chu [2017] No.105 [#] (牟政出[2017]105號) and Mou Zheng Chu [2017] No.106 [#] (牟政出[2017]106號)) located in Zhengzhou and is a land plot with total land area of approximately 368,982.8 square meters designated for residential purpose in Zhengzhou International Cultural and Creative Industrial Park [#] (鄭州國際文化創意產業園) situated at east of Qingsha Street [#] , west of Bishui Street [#] , south of Pingan Road [#] , south and north of Xiahn Road [#] and north of Wenchang Road [#]
“Land Use Rights Grant Contract”	the Land Use Rights Grant Contract of State-owned Land [#] (《國有建設用地土地使用權出讓合同》) which is expected to be executed by Henan Country Garden (on behalf of Zhengzhou Haichang) and Zhongmou County Land and Resources Bureau in relation to the bid for Land Plot A
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Transactions”	the bidding of the land use rights of Land Plot A through a listing-for-sale organised by Zhongmou County Land and Resources Bureau in the name of Henan Country Garden on behalf of Zhengzhou Haichang pursuant to the Joint Bidding Agreement
“Zhengzhou”	Zhengzhou, Henan Province, the PRC
“Zhengzhou Haichang”	Zhengzhou Haichang Jidi Ocean Park Limited# (鄭州海昌極地海洋公園有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Zhongmou County Land and Resources Bureau”	Zhengzhou Zhongmou County Land and Resources Bureau# (鄭州中牟縣國土資源局), a government department responsible for the planning and land management of Zhengzhou, an independent third party of the Company
“%”	per cent.

The English transliteration of the Chinese name is for identification purposes only, and should not be regarded as the official English names.

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

Dalian, the PRC, 18 June 2017

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 of the Company are Mr. Qu Naijie, Mr. Makoto Inoue and Mr. Yuan Bing; and the independent non-executive directors of the Company are Mr. Chen Guohui, Mr. Sun Jianyi and Ms. Zhang Meng.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.14772. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.