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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)

CONNECTED TRANSACTIONS

- (1) INSTALLATION SERVICE AGREEMENT (I);**
- (2) INSTALLATION SERVICE AGREEMENT (II);**
- (3) DESIGN AND CONSULTANCY SERVICE AGREEMENT; AND**
- (4) EXHIBIT DISPLAY SERVICE AGREEMENT**

INSTALLATION SERVICE AGREEMENTS, DESIGN AND CONSULTANCY SERVICE AGREEMENT AND EXHIBIT DISPLAY SERVICE AGREEMENT

On 21 December 2018, Shanghai Decoration Co (a wholly-owned subsidiary of the Company) and Suzhou Mozoo Co (a wholly-owned subsidiary of the Company) were entrusted by Dalian B&O to provide construction, installation, design, consultancy and exhibit display services for the Oriental Watertown ROBOZOO Moozo Park Project and the Oriental Watertown Illusion Art Gallery Project. Four agreements were entered into, at an aggregate consideration of approximately RMB23,844,000 (aggregate budgeted consideration: RMB28,880,000).

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Qu, a non-executive Director and a controlling shareholder of the Company, holds approximately 60% equity interests in Haichang Group Co. As Dalian B&O is a wholly-owned subsidiary of Haichang Group Co, it is an associate of Mr. Qu and thus a connected person of the Company. Accordingly, the transactions contemplated under the four agreements constitute connected transactions for the Company under Rule 14A.25 of the Listing Rules.

Since the four agreements are related to each other, they are aggregated for the purpose of classification of connected transactions in accordance with Rule 14A.81 of the Listing Rules.

In accordance with Rule 14A.76 of the Listing Rules, as the highest applicable percentage ratio as defined under the Listing Rules in aggregate for the transactions under the four agreements is more than 0.1% but less than 5%, the transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DETAILS OF THE AGREEMENTS

On 21 December 2018, Shanghai Decoration Co, a wholly-owned subsidiary of the Company, and Suzhou Mozoo Co, also a wholly-owned subsidiary of the Company, were entrusted by Dalian B&O to provide construction, installation, design, consultancy and exhibit display services for the Oriental Watertown ROBOZOO Moozo Park Project and the Oriental Watertown Illusion Art Gallery Project. Four agreements were entered into, at an aggregate consideration of approximately RMB23,844,000 (aggregate budgeted consideration: RMB28,880,000).

Details of the agreements are set out below:

1. Installation Service Agreement (I)

Date:	21 December 2018
Parties:	(1) Shanghai Decoration Co (2) Dalian B&O
Subject Matter:	In accordance with the Installation Service Agreement, Shanghai Decoration Co shall provide all installation services to Dalian B&O for the Oriental Watertown Illusion Art Gallery Project.
Construction Period and Completion:	The construction period will be 120 days
Consideration and Payment:	RMB3,920,000 (the total budgeted sum of the agreement is RMB4,900,000 and the final consideration shall be determined based on actual works performed) Dalian B&O will pay 30% of the consideration within five days after entering into the agreement and before the commencement of works. Another 30% of the consideration will be paid within 5 days after Shanghai Decoration Co completing 50% of the works and submitting the progress report and payment request of the completed works, and Dalian B&O making confirmation of the same. A further 35% of the consideration will be paid after the completion of the works, examination and acceptance of the same by Dalian B&O. The remaining 5% of the consideration will be paid within one month after the expiration of the warranty period.
Warranty Period:	Two years for styling and image design, and one year for digital interactive devices and light source of luminaires

2. Installation Service Agreement (II)

Date:	21 December 2018
Parties:	(1) Shanghai Decoration Co (2) Dalian B&O
Subject matter:	In accordance with the Installation Service Agreement, Shanghai Decoration Co shall provide all installation engineering services to Dalian B&O for the Oriental Watertown ROBOZOO Mozoo Park Project.
Construction Period and Completion:	The construction period will be 151 days
Consideration and Payment:	RMB16,224,000 (the total budgeted sum of the agreement is RMB20,280,000 and the final consideration shall be determined based on actual works performed) Dalian B&O will pay 30% of the consideration within five days after entering into the agreement and before the commencement of works. Another 30% of the consideration will be paid within 5 days after Shanghai Decoration Co completing 50% of the works and submitting the progress report and payment request of the completed works, and Dalian B&O making confirmation of the same. A further 35% of the consideration will be paid after the completion of the works, examination and acceptance of the same by Dalian B&O. The remaining 5% of the consideration will be paid within one month after the expiration of the warranty period.
Warranty:	Two years for styling and image design, and one year for digital interactive devices and light source of luminaires

3. Design and Consultancy Service Agreement

Date:	21 December 2018
Parties:	(1) Shanghai Decoration Co (2) Dalian B&O
Subject matter:	In accordance with the Design and Consultancy Service Agreement, Shanghai Decoration Co shall (1) coordinate service providers to carry out project design, expansion design and construction drawing design for the Oriental Watertown ROBOZOO Mozoo Park Project; and (2) provide design and consultancy services to Dalian B&O for the Oriental Watertown ROBOZOO Mozoo Park Project.

Term of Service: The term of design and consultancy services will be 90 days

Consideration and Payment: RMB900,000 (fixed).

Dalian B&O will pay 30% of the consideration within five working days after entering into the agreement. Another 30% of the consideration will be paid within 10 working days after Shanghai Decoration Co completing all the conceptual design, and Dalian B&O making written confirmation of the same. A further 35% of the consideration will be paid within 10 working days after Shanghai Decoration Co completing all the planning, design and construction drawings, and Dalian B&O making written confirmation of the same. The remaining 5% of the consideration will be paid after completion of the construction and installation works, and Shanghai Decoration Co completing all technical submissions and construction coordination in respect of all design work, and submitting the completion drawings and settlement request, and Dalian B&O making written confirmation of the same.

4. Exhibit Display Service Agreement

Date: 21 December 2018

Parties: (1) Suzhou Moozo Co
(2) Dalian B&O

Subject matter: In accordance with the Exhibit Display Service Agreement, Suzhou Mozoo Co shall provide exhibit display services and related technical services to Dalian B&O for the Oriental Watertown ROBOZOO Mozoo Park Project.

Term of Service: The term of the exhibit display services will be three years.

Consideration and Payment: RMB2,800,000

Dalian B&O will pay 30% of the consideration within seven days after entering into the agreement. Another 60% of the consideration will be paid within seven days after the delivery of the first batch of exhibits. The remaining 10% of the consideration will be paid within seven days after the delivery of the last batch of exhibits.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the terms of the agreements are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Group is entrusted to provide relevant construction, installation, design, consultancy and exhibit display services for Dalian B&O, which can help expand the revenue streams of the Company's management service business, broaden the Company's experience in the design and construction of Mozoo Park products, and enhance the Company's reputation.

The Board has also evaluated whether the Group has plans or strategies to expand its business in Mozoo Park related business in Dalian, and concluded that the Group has no intention to develop such business in Dalian at this point of time.

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. Shanghai Decoration Co and Suzhou Mozoo Co are wholly-owned subsidiaries of the Company which are engaged in building decoration, engineering design and construction and provision of display services, respectively.

Dalian B&O is principally engaged in the provision of commercial property management service in the PRC and is a wholly-owned subsidiary of Haichang Group Co.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Qu, a non-executive Director and a controlling shareholder of the Company, holds approximately 60% equity interests in Haichang Group Co. As Dalian B&O is a wholly-owned subsidiary of Haichang Group Co, it is an associate of Mr. Qu and thus a connected person of the Company. Accordingly, the transactions contemplated under the agreements constitute connected transactions for the Company under Rule 14A.25 of the Listing Rules.

In accordance with Rule 14A.76 of the Listing Rules, as the highest applicable percentage ratio as defined under the Listing Rules in aggregate for the transactions under the four agreements is more than 0.1% but less than 5%, the transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Qu, a non-executive Director and a controlling shareholder of the Company, has material interests in the transactions contemplated under the four agreements, he has abstained from voting on the Board resolutions. Furthermore, Mr. Wang Xuguang, an executive Director, has also abstained from voting on the above resolutions as he is a non-executive director of Haichang Group Co.

Save as disclosed above, no Director has a material interest in the transactions and is required to abstain from voting on the Board resolutions approving the four agreements.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Haichang Ocean Park Holdings Limited (海昌海洋公園控股有限公司), an exempted 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
“Design and Consultancy Service Agreement”	the design and consultancy service agreement dated 21 December 2018 entered into between Shanghai Decoration Co and Dalian B&O in relation to the ROBOZOO Mozoo Park Project located in S18# of the Oriental Watertown Phase II in Dalian
“Director(s)”	the director(s) of the Company
“Dalian B&O”	Dalian Haichang Business Operation Management Co., Ltd*. (大連海昌商業運營管理有限公司) a company established in the PRC and a wholly-owned subsidiary of Haichang Group Co
“Exhibit Display Service Agreement”	the exhibit display service agreement dated 21 December 2018 entered into between Suzhou Mozoo Co and Dalian B&O in relation to the ROBOZOO Mozoo Park Project located in S18# of the Oriental Watertown Phase II in Dalian
“Group”	the Company and its subsidiaries
“Haichang Group Co”	Dalian Haichang (Group) Co., Ltd.* (大連海昌集團有限公司), a company established in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Installation Service Agreement (I)”	the installation service agreement dated 21 December 2018 entered into between Shanghai Decoration Co and Dalian B&O in relation to the Illusion Art Gallery Project located in S17# of the Oriental Watertown Phase II in Dalian
“Installation Service Agreement (II)”	the installation service agreement dated 21 December 2018 entered into between Shanghai Decoration Co and Dalian B&O in relation to the ROBOZOO Mozoo Park Project located in S18# of the Oriental Watertown Phase II in Dalian

“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Decoration Co”	Shanghai Haichang Jidi Decoration Engineering Co., Ltd*. (上海海昌極地裝飾工程有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Suzhou Mozoo Co”	Suzhou Haichang Mozoo Culture Communication Co., Ltd*. (蘇州海昌萌寵文化傳播有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Shanghai, the PRC, 21 December 2018

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. Sun Jianyi and Ms. Zhang Meng.

* *For identification purpose only*