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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in Haichang Ocean Park Holdings Ltd. (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)****VERY SUBSTANTIAL DISPOSAL IN RELATION TO  
THE PROPOSED DISPOSAL OF SUBSIDIARIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING****Financial adviser to the Company**

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Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 8 to 38 of this circular.

A notice convening the EGM to be held at Large Meeting Room, 31st Floor, Building A, Foreshore Beach World Trade Centre Phase 1, No. 4, Lane 255, Dongyu Road, Pudong New District, Shanghai, the PRC on Thursday, 9 December 2021 at 3:00 p.m. is set out on pages EGM-1 to EGM-4 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54 Hopewell Centre 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof (as the case may be) if you so wish.

22 November 2021

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following terms have the following meanings:*

“Adjustments”	collectively, the Dalian Adjustment and the Zhengzhou Adjustment
“Agreement”	the conditional sale and purchase agreement dated 13 October 2021 entered into among the Vendors and the Purchaser in relation to the Transactions
“Board”	board of the Directors
“Brand Licensing Agreement”	an agreement to be entered into among the Vendors, the Company’s wholly-owned subsidiaries and the Purchaser to authorise the Purchaser to use the “Haichang” brand or intellectual property owned by the Group
“Business Day(s)”	any day(s) other than Saturday(s), Sunday(s), statutory holiday(s) in the PRC and Hong Kong and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m. in Hong Kong
“Chengdu Company”	成都極地海洋實業有限公司 (Chengdu Polar Ocean Industrial Company Limited*), a company established in the PRC, and an indirect wholly owned subsidiary of the Company
“Company”	Haichang Ocean Park Holdings Limited (海昌海洋公園控股有限公司), 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: 2255)
“Completions”	collectively, the Dalian Completion and the Zhengzhou Completion
“Conditions”	collectively, the Dalian Conditions and the Zhengzhou Conditions
“Consideration”	collectively, the Dalian Consideration and the Zhengzhou Consideration

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## DEFINITIONS

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“COVID-19”	the novel coronavirus, a coronavirus disease which has its outbreak across various parts of the world since around December 2019
“Dalian Completion”	the completion of the Dalian Disposal
“Dalian Conditions”	conditions precedent to the Dalian Completion as set out in the Agreement
“Dalian Consideration”	the consideration for the Dalian Disposal
“Dalian Disposal”	the transfer of the entire equity interest in the Dalian WFOE1 by the Vendors to the Purchaser pursuant to the terms of the Agreement, including the entire equity interest in the Four Theme Parks Companies
“Dalian Pre-Completion Restructuring”	the transfer of entire share capital of the Four Theme Parks Companies from DLHC to Dalian WFOE1 for the consideration of RMB1.15 billion and the transfer of 9% equity interest in 成都忠捷置業有限公司 (Chengdu Zhongjie Real Estate Company Limited*) held by the Chengdu Company to a subsidiary within the Group
“Dalian WFOE1”	海合(大連)文化旅遊開發管理有限公司 (Haihe (Dalian) Cultural Tourism Development Management Company Limited*), a wholly foreign-owned enterprise established in the PRC, which was established for the purpose of reaching such Transactions and has no other business other than controlling ownership
“Dalian WFOE2”	海博(大連)文化旅遊開發管理有限公司 (Haibo (Dalian) Cultural Tourism Development Management Company Limited*), a wholly foreign-owned enterprise established in the PRC, which was established for the purpose of reaching such Transactions and has no other business other than controlling ownership
“Director(s)”	director(s) of the Company
“Disposal”	collectively, the Dalian Disposal and the Zhengzhou Disposal, under which the Target Interests shall be disposed of by the Vendors to the Purchaser under the terms of the Agreement

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## DEFINITIONS

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“Disposal Group”	collectively, Target Companies, Dalian WFOE1 and Dalian WFOE2
“DLHC”	大連海昌旅遊集團有限公司 (Dalian Haichang Travel Group Company Limited*), a company established in the PRC, an indirect wholly owned subsidiary of the Company
“EBITDA”	earnings before (i) interest; (ii) tax; (iii) depreciation of tangible assets; and (iv) amortisation of goodwill, general provision and other intangible assets
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Agreement and the Transactions
“Escrow Account”	an escrow account to be set up pursuant to the Escrow Account Agreement
“Escrow Account Agreement”	an agreement to be entered into between the Company, the Purchaser and the escrow bank to set up an escrow account
“Founder”	Mr. Qu Naijie, a non-executive Director
“Founder’s Letter of Non-Competition Undertaking”	a non-competition undertaking to be executed by the Founder
“Four Theme Parks”	Qingdao Haichang Polar Ocean Park, Tianjin Haichang Polar Ocean Park, Chengdu Haichang Polar Ocean Park and Wuhan Haichang Polar Ocean Park, located in Qingdao, Tianjin, Chengdu, and Wuhan, respectively operated by the Qingdao Company, the Tianjin Company, the Chengdu Company and the Wuhan Company, respectively
“Four Theme Parks Companies”	collectively, the Wuhan Company, the Chengdu Company, the Tianjin Company and the Qingdao Company
“FY2022”	the financial year ending 31 December 2022
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“HKHC”	Haichang Holdings (Hong Kong) Limited (海昌控股(香港)有限公司), a company incorporated in Hong Kong with limited liability, and an indirect wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 November 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and, for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Aquaman Hong Kong Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of MBK Partners Fund V, L.P.
“Qingdao Company”	青島極地海洋世界有限公司 (Qingdao Polar Ocean World Company Limited*), a company established in the PRC, and an indirect wholly owned subsidiary of the Company
“Remaining Group”	the subsidiaries of the Company which operate six theme parks in five core cities, i.e. Shanghai, Sanya, Chongqing, Dalian and Yantai and other theme park related businesses, property development and investment, hotel operations, operational consulting and post-Completions management
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

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## DEFINITIONS

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“Shareholders’ Agreement”	a shareholder agreement governing the matters of the Zhengzhou Project Company to be entered into among ZZHC, the Zhengzhou Project Company and Dalian WFOE2
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	an agreement entered into between the Company and the Purchaser on 13 October 2021 for strategic cooperation after the Completions
“Target Companies”	collectively, the Four Theme Parks Companies and the Zhengzhou Project Company
“Target Interests”	comprising 66% equity interest in the Zhengzhou Project Company and 100% equity interest in the Four Theme Parks Companies
“Tianjin Company”	天津極地旅遊有限公司 (Tianjin Polar Travel Company Limited*), a company established in the PRC, and an indirect wholly owned subsidiary of the Company
“Time Dynasty”	Time Dynasty Limited, a company incorporated in the British Virgin Islands, a beneficial owner of 4.59% shareholding interest in the Company
“Transactions”	all the transactions contemplated under the Agreement, including but not limited to the Disposal, the Completions, the payment of Consideration, the Incentive Fee and the Adjustments
“Transitional Service Agreement”	an agreement to be entered into among the Vendors, the Purchaser and the Target Companies under which the Vendors shall provide transitional services to the purchaser
“US\$”	US dollars, the lawful currency of the United States of America

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## DEFINITIONS

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“Valuation Report”	the report prepared by Cushman & Wakefield Limited, an independent valuer, appraising the value of the commercial properties and the landed properties owned by the Target Companies
“VAT”	value-added tax
“Vendors”	collectively, the Company, HKHC, DLHC and ZZHC
“Wuhan Company”	武漢極地海洋世界投資有限公司 (Wuhan Polar Ocean World Investment Company Limited*), a company established in the PRC, an indirect wholly owned subsidiary of the Company
“Zhengzhou Completion”	the completion of the Zhengzhou Disposal
“Zhengzhou Conditions”	conditions precedent to the Zhengzhou Completion as set out in the Agreement
“Zhengzhou Consideration”	the consideration for the Zhengzhou Disposal
“Zhengzhou Disposal”	the transfer of the entire equity interest in Dalian WFOE2 by the Vendors to the Purchaser pursuant to the terms of the Agreement, including 66% equity interest in the Zhengzhou Project Company
“Zhengzhou Park”	a theme park under construction by the Zhengzhou Project Company and is located in Zhengzhou
“Zhengzhou Pre-Completion Restructuring”	the transfer of 66% equity interest in Zhengzhou Project Company from ZZHC to Dalian WFOE2 for the consideration of RMB450 million
“Zhengzhou Project Company”	鄭州海昌海洋公園旅遊發展有限公司 (Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd.*), a company established in the PRC, and a direct wholly owned subsidiary of ZZHC
“Zhengzhou Target Group”	Dalian WFOE2, Zhengzhou Project Company and its subsidiaries



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## DEFINITIONS

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“ZZHC” 鄭州海昌極地海洋公園有限公司 (Zhengzhou Haichang Polar Ocean Park Company Limited\*), a company established in the PRC, and an indirect wholly-owned subsidiary of the Company and the holding company of the Zhengzhou Project Company

“%” per cent

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

*For the purpose of illustration, the exchange rate between Renminbi and US dollars provided in this circular is RMB1 = US\$0.1567 (unless otherwise stated). The provision of such exchange rates does not mean that US dollars could be converted into Renminbi based on such exchange rate.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors*

Mr. Wang Xuguang

Mr. Qu Cheng

Mr. Gao Jie

*Non-executive Directors*

Mr. Qu Naijie

Mr. Li Hao

Mr. Yuan Bing

*Independent non-executive Directors*

Mr. Chen Guohui

Mr. Wang Jun

Ms. Zhang Meng

*Head Office in the PRC*

31st Floor, Building A

Foreshore Beach

World Trade Centre

Phase I, No. 4

Lane 255 Dongyu Road

Pudong New District

Shanghai, PRC

*Registered Office*

PO Box 309, Umland House

Grand Cayman, KY1-1104

Cayman Islands

*Principal place of business  
in Hong Kong*

Room 804, 8/F. K11 Atelier

Victoria Dockside

18 Salisbury Road,

Tsim Sha Tsui

Kowloon, Hong Kong

22 November 2021

*To the Shareholders*

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL IN RELATION TO  
THE PROPOSED DISPOSAL OF SUBSIDIARIES  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 18 October 2021, whereby it was announced that the Agreement was entered into by, among others, the Purchaser and the Vendors on 13 October 2021, in relation to the Transactions.

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## LETTER FROM THE BOARD

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In connection with the Transactions, the Strategic Cooperation Agreement was also executed on 13 October 2021 and it is expected that the Transitional Service Agreement, Shareholders' Agreement, and Brand Licensing Agreement will be signed by the Group and the Purchaser, or their respective associates before Completions.

The purpose of this circular is to provide you with, among other things, (i) a letter from the Board containing details of the Agreement and the Transactions; (ii) financial information of the Group; (iii) unaudited financial information of the Disposal Group; (iv) unaudited pro forma financial information of the Remaining Group; (v) the Valuation Report; (vi) other information as required under the Listing Rules; and (vii) the notice of the EGM together with the form of proxy.

### THE AGREEMENT

#### Date

13 October 2021

#### Parties

Vendors: the Company, HKHC, DLHC and ZZHC

Purchaser: Aquaman Hong Kong Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly owned subsidiary of MBK Partners Fund V, L.P.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons

Other parties: Dalian WFOE1, Dalian WFOE2, the Chengdu Company, the Tianjin Company, the Qingdao Company, the Wuhan Company and the Zhengzhou Project Company

#### Assets to be disposed of

The Target Interests comprise (i) 100% equity interests in each of the Four Theme Parks Companies and (ii) 66% equity interests in the Zhengzhou Project Company.

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## LETTER FROM THE BOARD

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### Consideration and payment

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser, and taking into consideration of, among other things, the Target Companies' operation profitability and future prospect, with reference to the Valuation Report regarding the value of the commercial properties and the landed properties owned by the Target Companies and the unaudited net asset value of the Target Companies as at 30 June 2021. The Board considers the Consideration to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration is RMB6.53 billion, comprising the Dalian Consideration and the Zhengzhou Consideration.

### The Dalian Consideration

The Dalian Consideration shall be RMB6.08 billion consisting of (i) the consideration of the Four Theme Parks Companies of RMB6.05 billion which was derived with reference to the EV/EBITDA multiple of the comparable companies in the industry and the 2019 EBITDA of the Four Theme Parks Companies; and (ii) the consideration of animal lease option of RMB30 million, the breakdown of which are as follows:

- (1) approximately RMB2.54 billion of initial consideration (“**Initial Consideration**”) was derived from deducting the agreed amount (set out in (2) to (5) below) pursuant to specific purpose from the Dalian Consideration, which may be adjusted with reference to the Dalian Adjustment;
- (2) payables of RMB1.15 billion of Dalian WFOE1 to be assumed by the Purchaser;
- (3) no more than RMB2.21 billion of financing loans owed by the Four Theme Parks Companies to be repaid by the Purchaser;
- (4) no more than RMB145 million of debt-like liability to be assumed by the Purchaser; and
- (5) the consideration of RMB30 million for the animal lease option granted to the Purchaser by the Vendors, under which if any of the animals to be transferred under the Transactions die within two years, the Purchaser has the right to request the Group to lease to the Purchaser with an animal of the same species at fair market price.

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## LETTER FROM THE BOARD

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The Dalian Consideration was derived with reference to the EBITDA of the Four Theme Parks Companies for 2019, which was RMB630 million, with an EV/EBITDA multiple that was derived by making reference to EV/EBITDA multiples of the following comparable companies (the “**Comparable Companies**”) as set out below:

Stock Code	Company Name	Principal activity	Market capitalisation (RMB million)	EV (RMB million)	EBITDA (2019) (RMB million)	EV/EBITDA (2019)
300144.SZ	Songcheng	Investment, development and operation of theme parks and cultural performances	43,927	43,364	1,887	23.0x
000069.SZ	OCT Holding	Tourism integration, real estate	61,021	146,777	23,042	6.4x
000888.SZ	Emei Shan A	Mountain ticket service, mountain ropeway and hotel operation in Emei Shan as well as corresponding tourism business activities	3,378	3,109	423	7.3x
002059.SZ	Yunnan Tourism	Investment in and operation and management of scenic spots and areas of the World Expo Park, display of garden and horticultural products, investment in tourism real estate, development and utilisation of biological products, etc	5,670	5,799	337	17.2x
603136.SH	Tianmu Lake Tourism	Planning, construction, operation and management of tourist attractions, and travel agency services, etc	3,063	2,753	267	10.3x

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## LETTER FROM THE BOARD

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Stock Code	Company		Market capitalisation (RMB million)	EV (RMB million)	EBITDA (2019) (RMB million)	EV/EBITDA (2019)
	Name	Principal activity				
0308.HK	China Travel (Hong Kong)	Scenic area business, travel agency and related business	5,943	3,891	1,122	3.5x
1992.HK	Fosun Tourism	Leisure resorts, tourist attractions	12,771	21,874	4,009	5.5x
<b>Average (excluding the maximum and minimum values)</b>						<b>9.3x</b>
<b>Median (excluding the maximum and minimum values)</b>						<b>7.3x</b>

*Source:* Wind, EBITDA data (extracted from the 2019 annual reports of the Comparable Companies), and market capitalisation and EV data as of 30 June 2021.

The shares of the Comparable Companies are listed on the Stock Exchange, Shenzhen Stock Exchange and Shanghai Stock Exchange under the Wind segments of (i) hotels, resorts and luxury cruises; and (ii) leisure facilities and the comparable Companies (a) were principally engaged in operating scenic spots or parks and (b) had a market capitalisation of more than RMB3 billion. The Comparable Companies are selected based on the above criteria and have been identified in research through public information. The Company considers the Comparable Companies are principally engaged in operating scenic spots or parks similar to the Group and have comparable operating business scale with the Group and are therefore fair and reasonable comparables to the Group.

The average EV/EBITDA multiple of the Comparable Companies for 2019 was 9.3x, and the median EV/EBITDA multiple was 7.3x. Both multiples are lower than the EV/EBITDA multiple of the Four Theme Parks Companies of 9.6x, which was derived from dividing the EBITDA of the Four Theme Parks Companies of RMB630 million by Dalian Consideration of RMB6.05 billion. Since 100% of the equity interest in the Four Theme Parks Companies shall be disposed of to the Purchaser under the Dalian Disposal, both the Company and the Purchaser considered that it was appropriate to adopt a higher multiple for the Dalian Consideration.

The Dalian Consideration is payable in the following manner:

- (1) on the date of the Dalian Completion, the Purchaser shall pay approximately RMB1.30 billion to HKHC (the “**Dalian First Offshore Consideration**”) for the repayment of financing loans and the release of guarantees in relation to financing loans which are secured by the Group with the assets of the Four Theme Parks Companies;
- (2) on the date of the Dalian Completion, the Purchaser shall pay RMB30 million to HKHC for the animal lease option;

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## LETTER FROM THE BOARD

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- (3) on the date of the Dalian Completion, the Purchaser shall contribute RMB1.15 billion of capital to Dalian WFOE1, and shall procure Dalian WFOE1 to pay off the payables owed to DLHC within 2 Business Days after the date of the Dalian Completion;
- (4) on the date of the Dalian Completion, the Purchaser shall repay the financing loans owed by the Four Theme Parks Companies with an amount not exceeding RMB2.21 billion. The Purchaser shall assume the debt-like liability due with an amount not exceeding RMB145 million;
- (5) within 1 Business Day after the completion of the full repayment of the financing loans set out in paragraph (1) above and the provision of written repayment confirmations by HKHC to the Purchaser, the Purchaser shall pay approximately RMB1.08 billion to HKHC (the “**Dalian Second Offshore Consideration**”), which is subject to the Dalian Adjustment. The specific calculation is: Initial Consideration (subject to the Dalian Adjustment) – RMB1.30 billion – RMB100 million – RMB57 million;
- (6) within 1 Business Day after the release of guarantees set out in paragraph (1) above and obtaining all the property ownership certificates of the Chengdu properties, the Purchaser shall pay RMB100 million to HKHC (the “**Dalian Third Offshore Consideration**”); and
- (7) the Purchaser shall (i) pay an amount equal to RMB37 million (which shall be deposited to the Escrow Account) minus the amount that the Vendors shall pay its suppliers but fail to pay during the period of entrusted sales service pursuant to the entrusted sales service agreement to the Vendors on the date of termination of the entrusted sales service agreement of the Wuhan Company; (ii) pay an amount equal to RMB20 million minus the real estate land tax and agreed compensation that the Target Companies shall assume to the Vendors on the date of expiry of two (2) years from the date of the Dalian Completion.

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## LETTER FROM THE BOARD

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The Dalian Adjustment consists of:

- (1) Adjustment to the Initial Consideration based on the pre-closing estimate of Dalian Adjustment Items (as defined below) by the Company after the fulfilment of certain Dalian Conditions but before the Dalian Completion (the “**Base Date before Dalian Completion**”), in respect of Dalian WFOE1, the Four Theme Parks Companies, and their subsidiaries (the “**Dalian Adjustment Entities**”) regarding their financial position as at Dalian Completion.

The Initial Consideration may be adjusted pursuant to such pre-closing estimate by the Company (subject to further adjustment pursuant to the post-closing completion accounts described below), or may not be so adjusted but rather adjusted pursuant to the post-closing adjustment described below, at the option of the Purchaser.

- (2) Adjustment after Dalian Completion on the Dalian Consideration based on the Dalian Adjustment Items as appeared on the completion accounts in respect of the financial position as at Dalian Completion of the Dalian Adjustment Entities to be prepared by one of the “Big Four” accounting firms designated by the Purchaser within 90 days of the Dalian Completion. Any amount payable pursuant to this post-closing adjustment should be settled within five business days after the presentation of such completion accounts.
- (3) The Dalian Adjustment includes the items as set out below (the “**Dalian Adjustment Items**”) and the figures mentioned in each item are estimated on a best effort basis by the Directors regarding the management account as at the Base Date before Dalian Completion:
  - (a) Net working capital: if this item is above –RMB5 million (e.g. –RMB4 million), the Dalian Consideration will increase by the amount equal to the difference, and vice versa. For the purpose of this item, net working capital shall be the difference between the operation related current asset and the operation related current liability (excluding cash, debts owed to independent third parties, debt-like items, and receivables from the Company, its affiliates and any of their related parties as at the Base Date before Dalian Completion);
  - (b) Cash amount: if this item exceeds RMB10 million, the Dalian Consideration will increase by the amount equal to the difference, and vice versa;
  - (c) Financing loan: if this item exceeds RMB2.21 billion, the Dalian Consideration will decrease by the amount equal to the difference, and vice versa; and
  - (d) Debt-like liability: if this item exceeds RMB145 million, the Dalian Consideration will decrease by the amount equal to the difference, and vice versa.



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## LETTER FROM THE BOARD

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### Dalian Consideration Floor

The Agreement has not specified the minimum amount of the Dalian Consideration after taking into account the Dalian Adjustment. The Directors are of the view that the possibility of adjusting the Dalian Consideration is remote. Referring to the adjustment method mentioned above, the Directors estimate that the lowest amount of Dalian Consideration, based on the current estimation of the Dalian Adjustment Items as at the Base Date before Dalian Completion, would be RMB6.03 billion, which is RMB6.08 billion – RMB(22.5 + 10 + 20) million, breakdown of which is set out below:

- (1) Net working capital: –RMB5 million. The threshold of –RMB5 million, which was agreed between the Company and the Purchaser, is the estimated net working capital position as of the Based Date before Dalian Completion, which is calculated based on estimated difference between the balances of operation related current asset items and the balances of operation related current liability items with reference to the management account figures as at the previous year/period end, whichever are more relevant, and estimated subsequent changes up to the Base Date before Dalian Completion (if applicable), and the basis of estimation of major items are set out below:
  - (i) items such as trade receivables, advances from customers, accrued payroll, inventories, tax payable, other receivables and other payables were estimated with reference to their historical figures in the management account as at the previous year/period end, as these items are not expected to fluctuate materially; and
  - (ii) items such as account payables and prepayments were derived using their figures in the management account as at the previous year/period end as a starting point, and their estimated subsequent changes to the Base Date before Dalian Completion.

Due to the impact of the pandemic, the net cash inflow from operating activities of the Target Companies in FY2020 has been significantly decreased. The net working capital as at 31 December 2020 is –RMB27.5 million, which is at a relatively low level in history. As a result of the forgoing, it is expected that the net operating amount of the Target Companies on the date of the Dalian Completion will not be lower than the level of 31 December 2020. Therefore, assuming that the Target Companies maintain their net working capital level in 2020 on the date of the Dalian Completion, it is expected that this adjustment will decrease the Dalian Consideration by up to RMB22.5 million. The aforesaid adjustment was based on 31 December 2020 as the Directors estimated that the Base Date before Dalian Completion should also be close to the financial year end and should have a comparable level of net working capital. This is different from the adjustments under Notes (5) and (10) to Unaudited Pro Forma Financial Information of Appendix

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## LETTER FROM THE BOARD

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III which are made with reference to the net working capital as at 30 June 2021 (as if completion has taken place on 30 June 2021) and 31 December 2019 (as if completion has taken place on 1 January 2020), respectively;

- (2) Cash amount: the maximum difference of cash amount is RMB10 million between RMB0 (as the minimum cash amount) and RMB10 million, this adjustment will decrease the Dalian Consideration by up to RMB10 million. Please refer to Notes (5) and (10) to Unaudited Pro Forma Financial Information of Appendix III for the adjustments of cash amount as at 30 June 2021 and 31 December 2019, both are higher than the maximum difference;
- (3) Financing loan: since it has been stipulated in the Agreement that the Four Theme Parks can no longer increase their debts before the Dalian Completion, this adjustment will not reduce the Dalian Consideration. However, the actual amounts of the adjustment will be subject to the balance of financing loans as at the date of conducting the adjustment. Please refer to Notes (5) and (10) to Unaudited Pro Forma Financial Information of Appendix III for the adjustments made with reference to the balance of financing loans as at 30 June 2021 and 31 December 2019, respectively, which are both before the date of the Agreement; and
- (4) Debt-like liability: According to the Agreement, the factor that may lead to the increase in debt-like liabilities is only the capital expenditure of the Four Theme Parks and the amount of capital expenditure cannot exceed RMB20 million. This adjustment will decrease Dalian Consideration by up to RMB20 million. However, the actual amounts of the adjustment will be subject to the balance of debt-like liability as at the date of conducting the adjustment. Please refer to Notes (5) and (10) to Unaudited Pro Forma Financial Information of Appendix III for the adjustments made with reference to the balance of debt-like liability as at 30 June 2021 and 31 December 2019, respectively, which are both before the date of the Agreement.

### **The Zhengzhou Consideration**

The Zhengzhou Consideration shall be RMB450 million and subject to the Zhengzhou Adjustment.

As the Zhengzhou Park is currently in the early stage of the construction period, the Purchaser and the Vendors agreed that the Zhengzhou Consideration should be based on the registered capital of the Zhengzhou Project Company and the investment proportion of the Zhengzhou Project Company by the Purchaser. At as the date of this circular, the registered capital of the Zhengzhou Project Company is RMB670 million. The investment proportion by the Purchaser of 66% of the Zhengzhou Project Company is RMB442 million, which is slightly lower than the Zhengzhou Consideration.

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On the date of the Zhengzhou Completion, the Purchaser shall pay an amount equal to the Zhengzhou Consideration to Dalian WFOE2, and procure Dalian WFOE2 to make payment within 2 Business Days after the date of the Zhengzhou Completion.

### **Details of the Zhengzhou Adjustment**

The Zhengzhou Adjustment involves the adjustment to the Zhengzhou Consideration paid on Zhengzhou Completion based on the Zhengzhou Adjustment Items set out in the completion accounts in respect of the financial position of the Zhengzhou Target Group as at the date of Zhengzhou Completion to be prepared by one of the “Big Four” accounting firms designated by the Purchaser within 90 days of the Zhengzhou Completion. Any amount payable pursuant to the Zhengzhou Adjustment should be settled within five Business Days after the presentation of such completion accounts.

The Zhengzhou Adjustment includes the items (the “**Zhengzhou Adjustment Items**”) as set out below and the figures mentioned in each item are estimated on a best effort basis by the Directors regarding the management account as at the date of Zhengzhou Completion:

- (1) Net working capital: if this item is positive, the Zhengzhou Consideration will increase by 66% of that amount, and vice versa;
- (2) Net liabilities: if this item exceeds RMB143 million, the Zhengzhou Consideration will decrease by 66% of the difference, and vice versa;
- (3) Payables to related parties: if this item is positive, the Zhengzhou Consideration will decrease by 66% of that amount; and
- (4) Net asset and government subsidies recorded as deferred income: if the sum of these two items is less than RMB670 million, the Zhengzhou Consideration will decrease by 66% of the difference.

### **Zhengzhou Consideration Floor**

The Agreement has not specified the minimum amount of the Zhengzhou Consideration after taking into account the Zhengzhou Adjustment. The Directors are of the view that the possibility of adjusting the Zhengzhou Consideration is remote. Referring to the adjustment method mentioned above, the Directors estimate that the lowest amount of the Zhengzhou Consideration, based on the current estimation of the Zhengzhou Adjustment Items as at the date of Zhengzhou Completion, would be RMB450 million, and the adjustments are set out below:

- (1) Net working capital: since the Zhengzhou Park is still under construction and is not yet open, both parties reasonably expected the target net working capital on the date of the Zhengzhou Completion is zero.

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## LETTER FROM THE BOARD

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- (2) Net liabilities: as it is stipulated in the Agreement that the Zhengzhou Park can no longer increase its debt before the Zhengzhou Completion, this adjustment will not reduce the Zhengzhou Consideration.
- (3) As at the date of this circular, there is no payables from Zhengzhou Target Group to related parties. Based on the construction and capital plan of Zhengzhou Target Group, it is expected that there will be no additional payables to related parties on the date of the Zhengzhou Completion. However, the actual amounts of the adjustment will be subject to the balance of payables to related parties as at the date of conducting the adjustment. Please refer to Notes (5) and (10) to Unaudited Pro Forma Financial Information of Appendix III for the adjustments made with reference to the balance of payables to related parties as at 30 June 2021 and 31 December 2019, respectively, which are both before the date of this circular.
- (4) As at the date of 30 September 2021, the net asset was RMB646 million, while the government subsidies recorded as deferred income was RMB50 million. The sum of net asset and government subsidies was RMB696 million. Since the Zhengzhou Park is still under construction and is not yet open, the Directors are of the view that the possibility that the sum of net asset and government subsidies would fall below RMB670 million as at the Zhengzhou Completion is remote. However, the actual amounts of the adjustment will be subject to the balance of the sum of the net asset and government subsidies as at the date of conducting the adjustment. Please refer to Notes (5) and (10) to Unaudited Pro Forma Financial Information of Appendix III for the adjustments made with reference to the balances of the sum of net asset and government subsidies as at 30 June 2021 and 31 December 2019, respectively, which are both before 30 September 2021.

### **Incentive Fee and Performance Targets**

The Disposal are expected to be completed by the end of 2021.

In addition to the Consideration, the Purchaser may pay the Vendors incentive fee pursuant to the terms of the Agreement (the “**Incentive Fee**”) if the Target Companies achieve the following performance targets.

For the Four Theme Parks:

- (a) if 2021 EBITDA is less than RMB360 million, the Purchaser shall not be required to pay any Incentive Fee;
- (b) if 2021 EBITDA is equal to or exceeds RMB400 million, the Purchaser shall be required to pay RMB100 million as the Incentive Fee;

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## LETTER FROM THE BOARD

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- (c) if 2021 EBITDA exceeds RMB360 million but less than RMB400 million, the Incentive Fee that shall be paid by the Purchaser will be:  $(2021 \text{ EBITDA} - \text{RMB}360 \text{ million}) \div (\text{RMB}400 \text{ million} - \text{RMB}360 \text{ million}) \times \text{RMB}100 \text{ million}$ .

After the Completions, the Vendors will continue to provide transitional consulting services to the Target Companies for the Four Theme Parks and the Zhengzhou Park, and the Vendors will cooperate with the Purchaser to procure the Target Companies to achieve the following performance targets.

For the Four Theme Parks:

- (a) if 2022 EBITDA is less than RMB500 million, the Purchaser shall not be required to pay the Incentive Fee;
- (b) if 2022 EBITDA is equal to RMB500 million, the Purchaser shall be required to pay RMB150 million as the Incentive Fee;
- (c) if 2022 EBITDA exceeds RMB500 million but less than RMB580 million, the Incentive Fee that shall be paid by the Purchaser will be:  $\text{RMB}150 \text{ million} + (2022 \text{ EBITDA} - \text{RMB}500 \text{ million}) \div (\text{RMB}580 \text{ million} - \text{RMB}500 \text{ million}) \times (\text{RMB}300 \text{ million} - \text{RMB}150 \text{ million})$ ; and
- (d) if 2022 EBITDA is equal to or more than RMB580 million, the Purchaser shall be required to pay RMB300 million as the Incentive Fee.

The Purchaser and the Company shall jointly work towards the target of opening and commencement of operation of the Zhengzhou Park by 31 December 2023. If this target is achieved, the Purchaser will pay the Incentive Fee of RMB300 million to the Company. However, if the Zhengzhou Park opens and commences operation after 31 December 2023, the Purchaser has no obligation to pay the Incentive Fee.

### **Pre-completion Undertaking by the Vendors**

From the date of the Agreement to the date of Completions, the Vendors shall not only ensure that all theme parks operated by the Target Companies will maintain daily business operations, but also perform its undertakings under the Agreement to facilitate the Completions.

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## LETTER FROM THE BOARD

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### Conditions Precedent

The Completions are conditional, among other things, upon the fulfilment (or waiver in writing where applicable) of the Conditions summarised below:

#### *The Dalian Conditions*

The Dalian Completion is conditional upon fulfilment of the following Dalian Conditions (or obtaining a waiver in writing from the party entitled to grant such waiver):

- (a) the Transactions having approved by the relevant regulatory authorities, including the approvals from the Stock Exchange;
- (b) the Company having convened the EGM as required by all applicable laws and regulations (including but not limited to the Listing Rules), and having resolved to approve the Transactions therein;
- (c) Ernst & Young, as the auditor of the Company, having prepared the report on the financial information of the Disposal Group as at 30 June 2021 for the relevant circular;
- (d) after entering into the Agreement, no event or situation taking place having a material adverse impact on the capability of any Target Companies or the Vendors to consummate the Transactions;
- (e) there not having occurred any material breach of the representations and warranties, nor having occurred any breach of any commitments made by the Vendors in respect of the Agreement;
- (f) the Dalian Pre-Completion Restructuring having been completed;
- (g) no authorities having enacted, issued, announced, implemented and formally promulgated any new laws after entering into the Agreement, which will result in the Transactions illegal or prohibition of its completion;
- (h) the Target Companies having settled or dealt with the relevant related party transactions in a manner that is satisfactory to the Purchaser;
- (i) Dalian WFOE1 having completed the changes to be filed with the authority for market regulation and the Four Theme Parks Companies have submitted all properly executed application documents to and accepted by the competent authority for market regulation;
- (j) the Vendors or its related parties having signed the Transitional Service Agreement, Brand Licensing Agreement and Escrow Account Agreement;

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## LETTER FROM THE BOARD

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- (k) the Vendors having provided the Purchaser with the details of loans to be taken up by the Purchaser;
- (l) the Purchaser actually receives loans provided by relevant banks for the Transactions in accordance with the terms and conditions agreed with the Purchaser;
- (m) the Purchaser having signed the loan agreements related to the loans as provided in item (l) above;
- (n) there not having occurred any material breach of warranties by the Purchaser; and
- (o) any other conditions set out below.

### *The Zhengzhou Conditions*

The Zhengzhou Completion is conditional upon fulfilment of the following Zhengzhou Conditions (or obtaining a waiver in written from the party entitled to grant such waiver):

- (a) the Dalian Completion having been completed in accordance with the provisions of the Agreement;
- (b) after entering into the Agreement, no event or situation taking place having a material adverse impact on the capability of any member of Zhengzhou Target Group or the Vendors to consummate the Transactions;
- (c) there not having occurred any material breach of the representations and warranties, nor having occurred any breach of commitments made by the Vendors and the Target Companies in respect the Agreement;
- (d) no authorities having enacted, issued, announced, implemented and formally promulgated any new laws after entering into the Agreement, which will result in Transactions illegal or prohibition of its completion;
- (e) ZZHC and Dalian WFOE2 having signed the Shareholders' Agreement;
- (f) the Zhengzhou Project Company having obtained project financing loans that are reasonably satisfactory to the parties from relevant banks;
- (g) the contractor for the construction of the Zhengzhou Park has resumed the construction work after signing a supplemental agreement with the Zhengzhou Project Company under the terms that are reasonably satisfactory to the Purchaser;
- (h) the Zhengzhou Project Company having obtained a construction permit issued by the Zhengzhou Urban and Rural Construction Bureau for the construction of Zhengzhou Park in accordance with the applicable laws;

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- (i) the Zhengzhou Project Company having signed a Letter of Non-Competition Undertaking with its general managers in agreed form;
- (j) Dalian WFOE2 having completed the changes to be filed with the Zhengzhou Administration for Market Regulation and the Zhengzhou Project Company has submitted all properly executed application documents to and accepted by the competent authority for market regulation; and
- (k) the Company and the Zhengzhou Project Company having agreed on a commercial plan.

### *Other Conditions*

Other conditions include:

- (a) the Purchaser having received confirmations from relevant creditor banks of the Vendors that early payment of all the debts is permitted;
- (b) the Vendors and their affiliated companies having obtained and completed all the relevant government approvals and renewal of licenses in respect of the relevant animals;
- (c) the cooperation agreements signed by relevant online travel agency partners and the Vendors having been modified or performed in fact or terminated and these agreements no longer involving any business of the Four Theme Parks and the Zhengzhou Park;
- (d) the general managers or their successors of Target Companies having signed non-competition undertakings and such general managers having signed transfer agreements to dispose of their equity interests in certain subsidiaries of the Target Companies;
- (e) the Founder having delivered the Founders Letter of Non-Competition Undertaking to the Purchaser; and
- (f) the Vendors and their affiliated companies having signed an entrusted sales service agreement in relation to the commercial properties for sale.

Each of the Purchaser and the Vendors shall complete the conditions which they are in charge of based on the above Conditions, and the other party should provide reasonable cooperation. The specific obligations are stipulated in the Agreement.



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## LETTER FROM THE BOARD

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### TERMINATION OF THE TRANSACTIONS

The Agreement is subject to termination in the following circumstances:

- (1) a written consent by the Purchaser and the Company at any time prior to the Completions;
- (2) in the event that not all the Dalian Conditions have been fulfilled by the Long Stop Date or waived in writing by the party having the right to do so, either the Purchaser or the Company may issue a written notice to the other party to terminate the Agreement. However, in the event that any Dalian Conditions have not been completed by the Long Stop Date due to default by either the Vendors or the Target Companies, the Company shall not be entitled to terminate the Agreement. The Long Stop Date is 31 December 2021. However, in the event that all the other conditions precedent other than the regulatory conditions precedent and the conditions precedent of the Completions have been fulfilled by 31 December 2021, or waived in writing by the party having the right to do so, but not all the regulatory conditions precedent have been fulfilled by 31 December 2021, the Purchaser and the Company shall negotiate in good faith an appropriate extension of the Long Stop Date in accordance with the actual progress of the regulatory conditions precedent, in which case the “**Long Stop Date**” refers to the date which the Purchaser and the Company agree to extend to after good faith negotiation; and
- (3) other customary reasons for termination in the Agreement.

The Zhengzhou Disposal is subject to termination in the following circumstances:

- (1) a written consent by the Purchaser and the Company at any time prior to the Zhengzhou Completion;
- (2) in the event that not all Zhengzhou Conditions have been completed prior to the Long Stop Date or waived in writing by the party having the right to do so, either the Vendors or the Company may issue a written notice to the other party to terminate the Zhengzhou Disposal. However, in the event that any of the Zhengzhou Conditions are not completed prior to the Long Stop Date due to default by either the Vendors or the Target Companies, the Company shall not be entitled to terminate the Zhengzhou Disposal. However, if the Zhengzhou Project Company did not obtain project loan as described in item (f) of the Zhengzhou Conditions, and therefore did not meet the requirements of item (g) and (h) of the Zhengzhou Conditions, then such circumstance shall not be deemed default of the Vendors under item (g) and (h) of the Zhengzhou Conditions; and
- (3) other customary reasons for termination in the Agreement.

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## LETTER FROM THE BOARD

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### THE COMPLETIONS

The Completions comprise the Dalian Completion and the Zhengzhou Completion.

#### The Dalian Completion

The Dalian Completion shall take place at the Purchaser's Shanghai Office on the later of (i) the fifteenth (15) Business Day after all of the Dalian Conditions (excluding the approval at the EGM and the conditions precedent to be fulfilled on the date of the Dalian Completion) have been fulfilled or waived in writing by the party having the right to do so; or (ii) the third (3) Business Day after all of the Dalian Conditions including the approval at the EGM (excluding the Dalian Conditions to be fulfilled on the date of the Dalian Completion) have been fulfilled, or such other date as may be otherwise agreed in writing between the Company and the Purchaser, and provided that all the following conditions have been fulfilled:

- (a) the Dalian Conditions on the date of the Dalian Completion other than registration of change with the relevant authority for market regulation having been fulfilled or waived in writing by the party having the right to do so;
- (b) Dalian WFOE1 having completed the registration of changes with the authority for market regulation prior to 11:00 a.m. (Beijing time) on the date of the Dalian Completion, and obtained a new business license and notice on approval/filing of changes;
- (c) other members of the Four Theme Parks Companies having properly signed all application documents required for the registration of changes with the authority for market regulation and submitted them to the competent authority for market regulation and the application being accepted prior to 11:00 a.m. (Beijing time) on the date of the Dalian Completion; and
- (d) the Company having convened the EGM in accordance with all applicable laws and regulations (including but not limited to the relevant Listing Rules), and approved the Transactions.

At the time of the Dalian Completion:

- a. the Vendors and the Purchaser shall complete and deliver the required items and delivery contents as specified in the Agreement;
- b. the Vendors shall place the company chops of the Four Theme Parks Companies in escrow and procure the delivery of such chops to the Purchaser after the Purchaser has paid the Dalian Second Offshore Consideration to the Vendors; and
- c. the Purchaser shall pay the Dalian First Offshore Consideration.

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## LETTER FROM THE BOARD

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### **The Zhengzhou Completion**

On the fifteenth (15) Business Day after all the Zhengzhou Conditions (excluding the completion of the registration of changes with the Zhengzhou Administration for Market Regulation and the Zhengzhou Conditions that can only be fulfilled on the date of the Zhengzhou Completion) have been fulfilled or waived in writing by the party having the right to do so, or such other date as may be otherwise agreed in writing between the Company and the Purchaser, upon the registration of change of Dalian WFOE2 with the authority for market regulation having been fulfilled on the date of the Zhengzhou Completion, and all application documents required for the change of filing with the authority for market regulation of the Zhengzhou Target Group have been properly executed and accepted, the Zhengzhou Completion shall take place at the Purchaser's Shanghai office.

At the time of the Zhengzhou Completion:

- (a) the Vendors and the Purchaser shall complete or procure the fulfilment of obligations pursuant to the Agreement; and
- (b) the Purchaser shall settle in full the Zhengzhou Consideration.

### **WARRANTIES FROM THE VENDORS**

Each of the Vendors has individually and jointly provided representations and warranties which are customary for other similar transactions and certain specific warranties for the Disposal to the Purchaser.

### **THE VENDORS' COMPENSATION RESPONSIBILITIES**

The Vendors shall compensate the Purchaser and its related parties for any losses thereof, liabilities and expenses directly or indirectly suffered or incurred by the Purchaser and its related parties as a result of any of the following matters:

- (a) any default of the Vendors' representation and warranties in the Agreement;
- (b) any default by the Vendors in respect of any other commitments in the Agreement;
- (c) any taxes that are unpaid by any of the Four Theme Parks Companies (including withholding tax and payment on behalf of others) which have not been paid prior to the Dalian Completion, or taxes (whether or not shall be paid before the Dalian Completion) caused or occurred as a result of any act within the time period before the Dalian Completion, including but not limited to any fines, penalties or interest related to such taxes and fees;

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- (d) taxes and fees related to Dalian Pre-Completion Restructuring and Zhengzhou Pre-Completion Restructuring, including but not limited to any fines, penalties or interest related to such taxes and fees;
- (e) the taxes and fees which should be paid by Dalian WFOE1 and Dalian WFOE2 in relation to restructuring as provided in the Agreement;
- (f) the Vendors failing to file tax declarations and pay taxes for the Transactions in accordance with relevant laws and regulations;
- (g) the members of the Target Companies currently enjoying the VAT exemption being required to pay VAT in relation to any act before the Completions by the relevant government authorities within the 24 months after the Completions;
- (h) any taxes that are unpaid by any members of the Zhengzhou Target Group which should be payable but have not been paid before the Zhengzhou Completion, or taxes caused or occurred as a result of any act within the time period before the Zhengzhou Completion (regardless of whether it should be paid before the Zhengzhou Completion or not), including but not limited to any fines, penalties or interest related to such taxes and fees; and
- (i) any one of the Target Companies failing to enter into a written labour contract with its current or ex-employees (including temporary workers) in accordance with the requirements of applicable laws prior to the Completions, to contribute to statutory social contribution in full accordingly in a timely manner.

The Vendors' liability to pay compensation is subject to certain time limit and amount as provided under the Agreement.

Upon Completions, the Vendors will transfer the Target Interests to the Purchaser and the Group will hold 34% equity interest in the Zhengzhou Project Company and no equity interest in the Four Theme Parks Companies thereafter. The remaining equity interest in the Zhengzhou Project Company is intended to be retained by the Group. None of the Target Companies will remain as a subsidiary of the Group. Financial results of the Target Companies will cease to be consolidated into the financial accounts of the Group after the Completions.

### **POST-COMPLETION UNDERTAKING**

After the completions, the Vendors should resolve certain issues of the Target Companies, and the Purchaser shall provide reasonable cooperation in this regard, as set out below:

- (a) if the RMB110 million fund under the relevant Governmental Fund Support Agreement signed by the Zhengzhou International Cultural and Creative Industry Park Management Committee in March 2019 is not in place prior to the opening of the Zhengzhou Park or 31 December 2023, whichever is earlier, the Vendors shall pay the same amount as compensation to the Zhengzhou Project Company;

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- (b) if the relevant subsidiaries of the Four Theme Parks Companies do not actually receive any of the accounts receivable and part of other receivables which has been recorded in the respective net working capital when the Dalian Consideration was determined within the 24 months after the date of the Dalian Completion, the Vendors shall pay the amount of such accounts receivable to the relevant members of the Four Theme Parks Companies within five Business Days upon receipt of the relevant written notice from the Purchaser, provided that the Purchaser shall cause the relevant members of the Four Theme Parks Companies to assign the right of recourse against such receivables and part of other receivables to the Vendors upon the expiry of the 24 months from the date of the Dalian Completion and the Purchaser shall cause the relevant members of the Four Theme Parks Companies not to carry out any act intended to negatively affect the validity of such accounts receivable;
- (c) if any of the animals to be transferred under the Transactions die within two years after the Dalian Completion, the Purchaser has the right to request the Group to lease to the Purchaser with an animal of the same species at fair market price;
- (d) securing the licenses relating to animals for Zhengzhou Project Company within six months after the acceptance and completion of construction of Zhengzhou Theme Park;
- (e) obtaining real estate title certificates for certain properties for the Four Theme Parks within six months after the Dalian Completion;
- (f) reaching an agreement with the current user of a property of the Tianjin Company on the duration of use within one year after the Dalian Completion;
- (g) if any tax relating to real estate and land use relating to Four Theme Parks Companies are payable within 24 months after the Dalian Completion, the Vendors should pay for such tax with a capped amount of RMB20 million;
- (h) completing the transfer of all animals listed in the Agreement to the Four Theme Parks within 12 months after the Dalian Completion;
- (i) facilitating four senior employees of the Disposal Group to dispose of their interests as part of their benefits with the Group; and
- (j) conducting fire safety works and obtaining relevant licences for the theme park in Tianjin.

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### NON-COMPETITION UNDERTAKING

Each of the Vendors separately and jointly undertakes to the Purchaser that, without the Purchaser's prior written consent, the Vendors will not and will procure any of their related parties not to, alone or jointly with others, or on behalf of any other person, whether as client, shareholder, director, employee, agent, consultant, partner or in other capacities, directly or indirectly:

- (a) during the periods when the Purchaser directly or indirectly holds more than 51% equity interest in any of the Four Theme Parks Companies and within 2 years after the end of such periods (such periods are referred to as the “**Restriction Periods of the Four Theme Parks Companies**”; for the avoidance of doubt, the restriction periods of each of the Four Theme Parks Companies are independent of each other):
  - (i) construct, develop, operate and invest in any business that is the same as or in competition with the Four Theme Parks in any city where the Four Theme Parks are located (i.e. Wuhan, Chengdu, Tianjin and Qingdao), the provinces of such cities, or Hebei (limited to marine theme parks), or provide any consulting, advisory services, technical support for such business, or hold any interest in such business, except the following activities: (x) the above activities carried out by a joint venture established by the Group and the Purchaser, (y) to manage commercial properties which are not theme parks operated by the Group in such cities, provinces or regions, (z) the above activities carried out by the Group in designated areas in Yantai or Chongqing;
  - (ii) interfere with or attempt to interfere with any suppliers which had provided goods or services to any of the Four Theme Park Companies and their respective subsidiaries for any period of time during the 12 months before the Dalian Completion to continue to provide goods or services to any of the Four Theme Park Companies and their respective subsidiaries, or employ or recruit employees of department head or above level which had been employed by members of the Four Theme Parks Companies for any period of time during the 12 months before the Completions, or try to induce such persons to leave any of the Four Theme Parks Companies;
- (b) after the Restriction Periods of the Four Theme Parks Companies of the relevant Four Theme Parks Companies, construct, develop, operate and invest in any business that is the same as or in competition with the Four Theme Parks Companies in the city where the Four Theme Parks are located (i.e. Wuhan, Chengdu, Tianjin or Qingdao) (limited to marine theme parks), or provide any consulting, advisory services, technical support for such business, or hold any interest in such business, except the following activities: (x) the above activities carried out by a joint venture established by the Group and the Purchaser, (y) to manage commercial properties which are not theme parks operated by the Group in such cities, (z) the above activities carried out by the Group in the designated areas in Yantai or Chongqing;

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- (c) during the period when the Purchaser directly or indirectly holds more than 51% equity interest in the Zhengzhou Project Company and within 2 years after the end of such period (the “**Zhengzhou Restriction Period**”):
  - (i) construct, develop, operate and invest in any business that is the same as or in competition with the Zhengzhou Park located in Zhengzhou or other regions in Henan (limited to marine theme parks), provide any consulting, advisory services, technical support for such business, or hold any interest in such business (other than the above activities carried out by a joint venture established by the Group and the Purchaser and the equity interests in the Zhengzhou Park held by the Group and commercial properties which are not theme parks operated by the Group in such cities, provinces or regions);
  - (ii) interfere with or attempt to interfere with any suppliers which had provided goods or services to any of the Dalian WFOE2, Zhengzhou Project Company and its subsidiaries for any period of time during the 12 months before the Zhengzhou Completion to continue to provide goods or services to any of the Dalian WFOE2, Zhengzhou Project Company and its subsidiaries, or employ or recruit employees of department head or above level which had been employed by members of the Four Theme Parks Companies for any period of time during the 12 months before the Zhengzhou Completion, or try to induce such persons to leave any of the Four Theme Parks Companies;
- (d) after the end of the Zhengzhou Restriction Period, construct, develop, operate and invest in any business (limited to marine theme parks) that is the same as or in competition with the Zhengzhou Park, or provide any consulting, advisory services, technical support for such business, or hold any interest in such business (other than the above activities carried out by a joint venture established by the Group and the Purchaser, the equity interests in the Zhengzhou Park held by the Group and commercial properties which are not theme parks operated by the Group in Zhengzhou).

Each of the Vendors separately and jointly undertakes to the Purchaser that, the Vendors will procure the Founder to fulfil the Founder’s Letter of Non-Competition Undertaking.

### **THE STRATEGIC COOPERATION AGREEMENT**

The Company and the Purchaser entered into the Strategic Cooperation Agreement on the same date as the Agreement pursuant to which the parties shall strengthen the cooperation in relation to business activities in areas which mainly include the promotion of the “Haichang” brand, development of intellectual properties, biological technology, construction and expansion of new theme parks and upgrading of existing theme parks, and asset-light business cooperation.

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Currently, the Company has no intention to sell further assets or business of the Remaining Group. When there is an upgrading and expansion of the theme park located in Shanghai operated by the Group in future, the parties shall explore the possible involvement on equity investment by the Purchaser.

### **THE TRANSITIONAL SERVICE AGREEMENT**

Pursuant to the Agreement, the Vendors, the Purchaser and the Target Companies will enter into the Transitional Service Agreement by Completions pursuant to which the Vendors will provide or cause to provide various transitional services to the Purchaser such as (a) the ticket sales and brand marketing of the Target Companies; (b) property sales project of the Wuhan Company; (c) animal leasing and animal breeding support; (d) management on the construction of the Zhengzhou Park and (e) other support services in the area of human resources, property management and financial system management for a period of up to five years, two years, 20 years, until the completion of construction of the Zhengzhou Park and one year, as the case may be, respectively.

Through the above services and support during the transition period, the parties work together to achieve the performance targets of the Four Theme Parks in 2022 and put the Zhengzhou Park into operation by the end of 2023, and obtain the corresponding Incentive Fee.

### **THE SHAREHOLDERS' AGREEMENT**

Pursuant to the Agreement, ZZHC, the Zhengzhou Project Company and Dalian WFOE2 shall enter into the Shareholders' Agreement which governs the matters of the Zhengzhou Project Company by Completions. Set out below is the summary of some of the proposed principal terms of the Shareholders' Agreement:

#### **Construction of the Zhengzhou Park**

If the board of directors of the Zhengzhou Project Company (the “**Zhengzhou Board**”) is of the view that the Zhengzhou Project Company cannot obtain the outstanding capital required for the construction of the Zhengzhou Park in time or sufficient amount via external financing, ZZHC and Dalian WFOE2 shall provide shareholders' loan as per the shareholding percentage.

#### **Shareholders' meeting**

All shareholders of the Zhengzhou Project Company exercise their voting rights in accordance with the proportion of the subscribed capital in the shareholders' meeting. Save for matters requiring at least 2/3 of the votes under the Shareholders' Agreement (including but not limited to approval of investment(s) with aggregate value exceeding RMB30 million; approval or amendment of financial budget before the opening of the Zhengzhou Park; approval of debt financing or equity financing of more than RMB50 million, and decision-making on related



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## LETTER FROM THE BOARD

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party transactions with a single amount or a total of RMB5 million and approval of assets acquisition or disposal with value exceeding 50% of the total assets of the Zhengzhou Project Company), resolutions are to be decided by a simple majority of votes.

### **Board composition**

Unless otherwise agreed with all the shareholders of the Zhengzhou Project Company, the Zhengzhou Board shall comprise three directors, of whom two directors shall be appointed or removed at the request of Dalian WFOE2 and one director shall be appointed or removed at the request of ZZHC when ZZHC holds not less than 10% of the equity interest of the Zhengzhou Project Company.

### **Restriction on transfer**

Prior to opening of the Zhengzhou Park, shareholders of the Zhengzhou Project Company are prohibited to transfer any shares of the Zhengzhou Project Company. Upon the opening of the Zhengzhou Park, if any of the shareholders of the Zhengzhou Project Company proposes to transfer any shares of the Zhengzhou Project Company, the other shareholder(s) of the Zhengzhou Project Company shall have the right of first offer to purchase such shares. If the Purchaser (as the controlling shareholder of the Zhengzhou Project Company) intends to transfer any shares of the Zhengzhou Project Company, ZZHC (as the minority shareholder of the Zhengzhou Project Company) and the Purchaser shall be entitled to the customary tag-along right and drag-along right, respectively.

### **BRAND LICENSING AGREEMENT**

Based on the principle of fairness and reasonableness, the Vendors and the Company's wholly-owned subsidiaries will enter into a Brand Licensing Agreement with the Purchaser. Subject to license areas, categories and content, as well as online and offline areas, and under the premise of the Company's conditional prior consent, the Company authorises the Purchaser to use the "Haichang" brand, the proprietary brands and the dedicated intellectual property owned by the Group.

The Board considers that the cooperation with the Purchaser under the Strategic Cooperation Agreement, the Transitional Service Agreement, the Shareholders' Agreement and the Brand Licensing Agreement above is an important step in the Group's business development, in particular its asset-light business, and will create business opportunities to the Group.

The terms of each of the above agreements were determined by the parties after arm's length negotiations and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### UNDERTAKING FROM SHAREHOLDERS

In respect of the Transactions, (i) the controlling shareholders of the Company (as defined in the Listing Rules) entitled to exercise approximately 46.85% of the voting rights of the Company as at the Latest Practicable Date; and (ii) Time Dynasty entitled to exercise approximately 4.59% of the voting rights of the Company have separately provided written undertaking that each of them will vote in favour of the resolutions in relation to the Agreement and the transactions contemplated thereunder to be proposed at EGM.

### INFORMATION OF THE PURCHASER

The Purchaser is a limited company incorporated under the laws of Hong Kong. It is wholly owned by MBK Partners Fund V, L.P. as its indirect subsidiary.

MBK Partners Fund V, L.P. is an exempted limited partnership established under the laws of the Cayman Islands and it is an investment fund. The general partner of MBK Partners Fund V, L.P. is MBK Partners GP V, L.P., and the general partner of MBK Partners GP V, L.P. is MBK GP V, Inc., affiliates of one of Asia's largest private equity sponsors, MBK Partners.

Founded in 2005, MBK Partners is one of the largest private equity funds in Asia with over US\$25.4 billion of capital under management. MBK Partners focuses on North Asia and has developed expertise in various industries, including consumer and retail, telecommunications and media, financial services, healthcare, logistics and industrials. The aggregate revenues of MBK Partners' 48 portfolio companies exceed US\$49.5 billion. MBK Partners has 77 investment professionals across five offices in North Asia.

### INFORMATION OF THE GROUP

The Vendors consist of the Company and some of its indirect wholly owned subsidiaries. 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.

### INFORMATION OF THE TARGET COMPANIES

#### Business of the Target Companies

The Target Companies are principally engaged in the construction, operation and management of the self-owned ocean themed parks in Wuhan, Chengdu, Tianjin, Qingdao and Zhengzhou, the PRC.

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## LETTER FROM THE BOARD

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### Financial information of the Target Companies

Set out below is the financial information of the Target Companies as extracted from their respective unaudited management accounts prepared in accordance with the Hong Kong Financial Reporting Standards for the two financial years ended 31 December 2019 and 2020, and the six months ended 30 June 2021.

	Year ended 31 December 2019 RMB'000	Year ended 31 December 2020 RMB'000	Six months ended 30 June 2021 RMB'000
Revenue	1,163,049	437,322	794,128 <sup>Note</sup>
Net profit (before taxation)	442,512	(117,758)	272,796
Net profit (after taxation)	339,395	(92,358)	158,779

The unaudited net assets of the Target Companies amounted to approximately RMB3,208 million on 30 June 2021.

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Four Theme Parks are all ocean parks located in urban districts and have been in operation for over 10 years and are relatively mature among the Company's existing theme parks. The Four Theme Parks had been generating stable cash flows every year up to and including 2019. However, as China's tourism industry has developed, competitive alternatives have emerged in respective markets covered by the Four Theme Parks, indicating a need for even more investment and improvement.

Since the outbreak of COVID-19 in early 2020, the Company has been suffering from high debt levels and increasing losses. The Directors believe that the sale of the Target Companies at a relatively favorable market price would generate a considerable sum of cash which could be directed toward repayment of a certain amount of debt that should reduce the Remaining Group's asset-liability ratio and sustain the Remaining Group's operations.

Upon the Completions, the Target Companies shall no longer be the Company's subsidiaries. The Group will then operate six theme parks in five core cities, i.e. Shanghai, Sanya, Chongqing, Dalian and Yantai, and other theme park related businesses, property development and investment, hotel operations, operational consulting and management, collectively covering an estimated area of about 1.2 million square meters including marine theme parks, hotels, hot spring resorts and ancillary commercial properties. The Group has an adequate reserve for biological resources and its brand IP, information system and management team will remain stable, with approximately 4,000 employees.

*Note:* Revenue for six months ended 30 June 2021 includes RMB410 million from the sales of Kara Mansion (克拉公館), a commercial property project.

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## LETTER FROM THE BOARD

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The remaining theme parks in Shanghai, Sanya, Chongqing, Yantai and Dalian (Discoveryland and Laohutan Ocean Park) of the Group have been developed as leisure resorts and are located outside the developed areas of the relevant cities. There are still usable land parcels for further growth and development adjacent to these theme parks in the future, enabling them to adapt to and meet the higher demands for travel, leisure and vacation.

As a planned large-scale marine cultural theme park of the Company, the Zhengzhou Park has been under construction since 2018. However, due to the adverse impact of COVID-19, the development of the Zhengzhou Park has been challenging. The Directors believe that they would at least need another 18 months and a capital investment of over RMB1.2 billion to complete all the construction works of the Zhengzhou Park before formal opening. Through the Disposal, the Company would not only receive cash from the proceeds of sale, but also significantly reduce the pressure of capital investment and debt financing. At the same time, the Company, as an important shareholder in the Zhengzhou Project Company, can continue to participate in its subsequent development and construction, as well as operation management.

In the future, the Company will focus on upgrading the second phase of Shanghai theme park and the supporting facilities of Sanya theme park to bolster income and profitability of key projects. Such projects cover the economically developed areas of the Yangtze River Delta as well as Hainan Island, the only domestic free trade port in the PRC.

In particular, the Shanghai theme park is located in Lingang New Area, a pioneering demonstration zone for innovation in Shanghai, the economic centre and one of the modern international metropolises with global influence in the PRC. The Sanya theme park is also located in Hainan, a free trade port and international tourism consumption centre in the PRC. The Directors believe that these theme parks will continue to benefit from the most favorable policy and comprehensive supporting facilities.

Therefore, the Directors are of the view that focusing the Company's capital allocation on upgrading and expanding the theme parks in Shanghai and Sanya not only fits the trends and the changes in the demand in the tourism and leisure market, but also aligns with the Company's long-term development strategy and the interests of the Shareholders.

Meanwhile, the Company will further expand its asset-light business, relying on its nearly 20 years of experience in cultural and travel industry to carry out comprehensive services including design consultation, construction and entrusted operation management. The asset-light business of the Company includes:–

- (1) Providing all-process consultation and advisory services of planning and design, construction and preparation, brand licensing, performance, operation and management for other theme park participants**

Revenue mainly derives from design consultation fee, brand licensing fee and operation and management service fee. The current projects in this aspect include Changsha Haichang Joyful Ocean Park Project\* (長沙海昌歡樂海洋世界), Changsha Xiangjiang Happy City-Happy

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## LETTER FROM THE BOARD

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Water Village and Happy Snow Land Project\* (長沙湘江歡樂城歡樂水寨和歡樂雪域), Zhejiang Hengdian Dreamsville Dolphin Bay Project\* (浙江橫店夢幻谷海豚灣) and Maoming Haichang Ocean Park Project\* (茂名海昌海洋公園). Revenue generated includes one-off income and ongoing fixed income during the term of the relevant contracts.

**(2) Providing entrusted operation and management for other theme travelling, commercial and hotel projects with full authority**

The Group will implement full operation and management in the form of medium and long-term lease for at least ten years. Both revenue and income generated from operating and managing the relevant projects will be consolidated into the Company's financial statement. Under this arrangement, the Group has to pay an appropriate leasing fee to the owners annually, which can basically meet the owner's expectation for a reasonable return on investment. Currently, Haichang Penguin Resort Hotel\* (海昌企鵝度假酒店) invested by Shanghai Jinqiao Group and Oriental Ocean Tourism Commercial Integrated Project\* (東方海洋旅遊商業綜合項目) invested by Shanghai Harbour City Group are operated and managed by the Group. Revenue and income generated thereunder are relatively stable during the lease term. Improvement on the management ability and performance of the Group will bring higher income level.

**(3) Self-operated business of urban leisure products in the commercial shopping mall at the core of the city**

There are currently a total of four urban leisure indoor amusement projects run by the Group in Suzhou, Nantong, Hefei and Wuhan, respectively. Projects include Haichang Cute Pets Park and Hi-life Nature Exploration Park. Investments amounted to approximately RMB6 million to RMB10 million for each project with a payback period of about 3 years.

The Company plans to invest approximately RMB700 million to develop its asset-light business within the next five years aiming to further increase the proportion of income and profit contribution of asset-light business. Among them, approximately RMB200 million will be used on IP development and marketing of consultation and advisory, operation and management services; approximately RMB200 million will be used on the research and development and market layout of urban leisure indoor amusement products; and approximately RMB300 million will be used on human resources development and living resources reserve.

The Company will take the Transactions as an opportunity, on the basis of maintaining layout and brand influence of the above theme parks, to continue to tap into the huge family leisure and vacation market in the PRC through the asset-light model in the future, and is committed to providing consumers with more diversified and high-quality products and services. Taking into the above, the Company considers that it will have sufficient operations after the Disposal.

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## LETTER FROM THE BOARD

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The gain on Disposal before taxation based on the net asset value of the Target Companies as at 30 June 2021 under the assumption of no Dalian Adjustment and Zhengzhou adjustment is estimated to be approximately RMB1.03 billion after taking into (a) the Consideration of approximately RMB6.53 billion; adding: (b) the investment of RMB76 million from an associate company (ZZHC); deducting: (c) the unaudited net asset value of the Target Companies as at 30 June 2021 of approximately RMB3.21 billion; (d) financing loans owed by the Four Theme Parks Companies of up to RMB2.21 billion to be borne by the Purchaser; (e) the debt-like liability due up to RMB145 million to be borne by the Purchaser; and (f) the estimated relevant expenses of the Disposal of RMB15 million. On the other hand, the gain on Disposal before taxation as at the date of this circular of RMB1.80 billion as stated in note (5) to Unaudited Pro Forma Financial Information of Appendix III of this circular was derived with all adjustments under the Agreement, including Dalian Adjustment and Zhengzhou Adjustment, and the adjustments of financing loan, net liabilities, debt-like liability, net working capital, cash amount, net asset, government grant and payables due to related parties based on the difference between the above amounts agreed in the Agreement (the “**Benchmark Figure(s)**”) and the amounts as at 30 June 2021, and the estimated waiver of payables and accruals as at the completion date. Please also refer to Note (5) on Appendix III – 10 to 11 for details of the adjustments. The actual revenue after taxation on the Disposal to be materialised by the Group, which will be calculated by reference to the financial position of the Target Companies at the time of Completions, may be different from the above figure. Moreover, the working capital and cash position of the Group are anticipated to be strengthened after the Completions.

Having considered the above reasons and benefits, the Directors consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### USE OF PROCEEDS FROM THE DISPOSAL

The Consideration shall be RMB6.53 billion, including:

- (a) approximately RMB2.21 billion of financing loans owed by the Four Theme Parks Companies to be repaid by the Purchaser, and approximately RMB145 million of debt-like liability due to be taken up by the Purchaser;
- (b) approximately RMB57 million to be deposited into the Escrow Account and retained for possible compensation; and
- (c) approximately RMB4.12 billion of the cash consideration received by the Vendors upon the completion of the Transactions, after paying taxes and fees related to the Transactions, approximately 40% of the remaining amount will be further used for the repayment of financing loans and the release of guarantees in relation to financing loans which are secured by the Company with the assets of the Four

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## LETTER FROM THE BOARD

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Theme Parks and replenishment of working capital, approximately 40% will be used for the upgrade and expansion of the theme parks in Shanghai and Sanya, and approximately 20% will be used for the expansion and deployment of asset-light business.

### LISTING RULES IMPLICATIONS

As the relevant percentage ratio (as defined in the Listing Rules) applicable to the Company in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal to the Company under Chapter 14 of the Listing Rules. The Disposal is therefore subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### GENERAL

**Completions are subject to the satisfaction and/or waiver of the Conditions and therefore, may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

### EGM

The EGM will be held to consider and, if thought fit, pass, with or without modification, the ordinary resolution to approve, among other things, the Agreement and the transactions contemplated thereunder (including the Transactions and the entering into all ancillary agreements to the Agreement, such as the Brand Licensing Agreement, the Strategic Cooperation Agreement, the Transitional Service Agreement, the Shareholders' Agreement and the Escrow Account Agreement) by way of poll. Any Shareholder with a material interest in the Agreement and any transactions contemplated thereunder (including the Transactions and the entering into all ancillary agreements to the Agreement, such as the Brand Licensing Agreement, the Strategic Cooperation Agreement, the Transitional Service Agreement, the Shareholders' Agreement and the Escrow Account Agreement) are required to abstain from voting in respect of the ordinary resolution approving the Agreement and any transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder had a material interest in the Agreement and any transactions contemplated thereunder as at the Latest Practicable Date and is required to abstain from voting at the EGM.

Except for the undertaking referred to in the section headed "Undertaking from Shareholders" in this letter, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there (a) is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby a Shareholder has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her/its Shares to a third party, either generally or on a case-by-case basis; and (b) exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM.



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## LETTER FROM THE BOARD

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A form of proxy for use by the Shareholders at the EGM is accompanied with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish.

### RECOMMENDATION

The Board considers that the terms of the Agreement are fair and reasonable and the Agreement and the transactions contemplated thereunder (including the Transactions and the entering into all ancillary agreements to the Agreement, such as the Brand Licensing Agreement, the Strategic Cooperation Agreement, the Transitional Service Agreement, the Shareholders' Agreement and the Escrow Account Agreement) are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM.

### CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the EGM, the register of members and transfer books of the Company will be closed from Monday, 6 December 2021 to Thursday, 9 December 2021 (both days inclusive), during which period no transfer of Shares will be registered. The record date for entitlement to attend and vote at the EGM is Thursday, 9 December 2021. In order to qualify to attend and vote at the EGM, all transfers of Shares, accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 3 December 2021.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

By order of the Board

**Haichang Ocean Park Holdings Ltd.**

**Wang Xuguang**

*Executive Director and Chief Executive Officer*



**FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for each of the three years ended 31 December 2018, 2019 and 2020 and financial information of the Group for the six months ended 30 June 2021 was disclosed in the annual reports of the Company for the years ended 31 December 2018 (pages 176 to 354), 2019 (pages 221 to 393) and 2020 (pages 217 to 389) and the interim report of the Company for the six months ended 30 June 2021 (pages 35 to 76), respectively, all of which can be found on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.haichangoceanpark.com/>).

Please also see below quick links to the relevant reports:

Annual report of the Company for the year ended 31 December 2018

(<https://www.haichangoceanpark.com/en/financial-reports-en/annual-en/2018-annual-report.html>)

Annual report of the Company for the year ended 31 December 2019

(<https://www.haichangoceanpark.com/en/financial-reports-en/annual-en/2019-annual-report.html>)

Annual report of the Company for the year ended 31 December 2020

(<https://www.haichangoceanpark.com/en/financial-reports-en/annual-en/2020-annual-report.html>)

Interim report of the Company for the six months ended 30 June 2021

(<https://www.haichangoceanpark.com/en/announcements-circulars-en/ac2021-en/interim-report-2021.html>)

**INDEBTEDNESS STATEMENT****Borrowings**

As at the close of business on 30 September 2021, being the latest practicable date of the purpose of this indebtedness statement prior to printing of this Circular, the Group had secured and guaranteed interest-bearing borrowings of RMB8,469 million, which were secured by property, plant and equipment, right-of-use assets, investment properties, completed properties held for sale, trade receivables, pledged bank balances, upcoming revenue and equity interest in certain subsidiaries of the Group.

**Lease liabilities**

As at 30 September 2021, the Group had outstanding lease liabilities amounting to RMB45 million which were unsecured and unguaranteed.

**Mortgages and charges**

As at 30 September 2021, the Group's assets with a carrying amount of approximately RMB6,895 million were pledged to secure bank and other loans granted to the Group.

**Contingent liabilities**

As at 30 September 2021, the Group had provided guarantees in an aggregate amount of RMB209 million to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties.

Save as disclosed above and apart from intra-group liabilities and the normal trade and other payables in its ordinary course of business, as at 30 September 2021, the Group did not have any outstanding mortgages, charges, debt securities, term loans and overdrafts, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or any guarantees or other material contingent liabilities.

**WORKING CAPITAL**

As at 30 September 2021, the Group had outstanding bank and other borrowings of approximately RMB8,469 million. For the outstanding bank and other borrowings which are due within 12 months after the date of this circular amounting to RMB2,153 million, the Directors have not obtained approval from the banks and financial institutions for the renewal of these loans. However the Directors are in active discussions with the banks and financial institutes for refinancing arrangements. In determining the sufficiency of the working capital of the Group, the Directors have made an assumption that the Group's existing bank and other borrowings which are due for renewal within the next 12 months from the date of the publication of this circular, will be duly renewed. Accordingly, the sufficiency of the Group's working capital depends on the successful renewals of these loans. Based on the past experience, the Directors are confident that the Group will be able to renew those outstanding banks and other borrowings on final maturity date and obtain new borrowings.

The Directors have implemented cost controls measures to maximize the cash flows from the operation of the parks for the year. Considering the COVID-19 is expected to be further eased off and controlled in 2022, the Directors are of the view that the Group may be able to improve its gross margin for the next 12 months from the date of this circular in order to improve the current working capital situations.

In the absence of unforeseen circumstances and whether or not the net proceeds from the Disposal will be received, the Directors are of the opinion that, after due and careful enquiry, and after taking into account (i) the cash flows from the Group's parks' operations, (ii) the availability of the existing banking and credit facilities, (iii) the expected refinancing of the existing bank and other borrowings upon their maturities and (iv) the effect of COVID-19, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months from the date of this circular.

#### **NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020 (being the date to which the latest published audited financial statements of the Group were made up).

#### **FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the development, construction and operation of theme parks, property development and investment, hotel operation and provision of consultancy and management services in the PRC.

Since the outbreak of COVID-19 in early 2020, the Company has been suffering from high debt levels and increasing losses. The sale of the Target Companies at a relatively favorable market price would generate a considerable sum of cash which could be directed toward repayment of a certain amount of debt that should reduce the Remaining Group's asset-liability ratio and sustain the Remaining Group's operations.

In the future, the Company will focus on upgrading the second phase of Shanghai theme park and the supporting facilities of Sanya theme park to bolster income and profitability of key projects. Such projects cover the economically developed areas of the Yangtze River Delta as well as Hainan Island, the only domestic free trade port in the PRC. Meanwhile, the Company will further expand its asset-light business, relying on its nearly 20 years of experience in cultural and travel industry to carry out comprehensive services including design consultation, construction and entrusted operation management.

Currently, the Company has no intention to sell further assets or business of the Remaining Group.

#### **MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP**

Following the Disposal, the Remaining Group will continue to carry out its existing businesses. Set out below is the management discussion and analysis of the Remaining Group for the six months ended 30 June 2021 and each of the three years ended 31 December 2018, 2019 and 2020 (the "Reporting Periods"), prepared on the basis that the Target Companies will no longer be accounted for as subsidiaries in the consolidated financial statements of the

Company. The financial data in respect of the Remaining Group, for the purpose of this Circular and for illustrative purpose only, is derived from the consolidated financial statements of the Group for the Reporting Periods.

## A. Operational and Financial Review

### *Business Review*

For the six months ended 30 June 2021, with the COVID-19 pandemic being brought under control, the operating activities of various sectors recovered steadily. For the tourism industry, under the model of domestic economic cycle playing the leading role, the domestic tourism consumption recovered gradually. According to the statistics of the Ministry of Culture and Tourism, in the first half of 2021, the total domestic visitor trips reached 1,871 million, representing 60.9% of that for the same period in 2019. The domestic tourism revenue reached RMB1.63 trillion, representing 58.6% of that for the same period in 2019.

With the pandemic entering a phase of normalized prevention and control, the Group strove to develop diversified tourism destinations for festival and holiday in the post-pandemic era and as a result, the Group's projects successfully ranked among the leading tourism destinations in respective regions. In response to the "night-time economy" policy issued by the government, the Group and Trip.com jointly launched "Haichang at Night", our brand of night-time economy ecosystem, filling the market gap of high-end tourism products in the night-time economy field. In particular, the settlement and audit work of the Shanghai Project went smoothly, and relevant completion filings of the park have been completed. The Group successfully advanced the design and preparatory work for the construction of phase II of the Shanghai Project. The Group took forward in full swing the settlement and audit work of the Sanya Project, realizing effective control of our costs.

The Remaining Group recorded revenue (from continuing operations) of approximately RMB572.1 million for the six months ended 30 June 2021 (same period in 2020: RMB237.2 million). For the six months ended 30 June 2021, the Remaining Group had two operating business segments, namely: i. park operations segment; ii. property development segment.

The segment revenue for the six months ended 30 June 2021 can be analysed as below:

- i park operations segment – The segment revenue for the six months ended 30 June 2021 amounted to approximately RMB572.1 million, representing an increase of approximately 141.2% as compared to approximately RMB237.2 million for the six months ended 30 June 2020. Such segment revenue increase

was mainly attributable to an obvious restoration of revenue from ticket business and revenue from non-ticket business of our parks as benefited from the effective pandemic control during the current period.

- ii property development segment – The segment revenue for the six months ended 30 June 2021 amounted to nil (same period in 2020: nil).

#### *Segment Results*

The measure used for segment results of the Remaining Group is loss before tax.

Park operations segment reported a loss of approximately RMB207.5 million for the six months ended 30 June 2021, as compared to loss of RMB757.3 million for the same period in 2020. Such loss decrease was primarily attributable to an obvious restoration of revenue from park operations during the current period.

Property development segment loss was nil for the six months ended 30 June 2021.

#### *Core Operating Profit/Loss*

The Directors also assess the performance of the Group based on core operating profit/loss, which is the EBITDA as defined in this circular.

For the six months ended 30 June 2021, the Remaining Group's core operating profit amounted to approximately RMB220.6 million, as compared with a core operating loss of RMB312.8 million for the same period in 2020. Such core operating profit increase was primarily attributable to an obvious restoration of revenue from park operations during the current period.

#### *(Loss)/Profit Attributable to Equity Holders of the Parent*

For the six months ended 30 June 2021, the Remaining Group's loss attributable to the equity holders of the Company amounted to approximately RMB232.0 million (same period in 2020: loss of approximately RMB745.3 million).

The decrease in loss attributable to the equity holders of the parent for the six months ended 30 June 2021 was mainly due to an obvious restoration of revenue from park operations during the current period.

#### *Liquidity, Borrowings and Financial Resources*

As at 30 June 2021, the Remaining Group had total cash and bank balances of approximately RMB1,681.4 million. As at 30 June 2021, the current ratio of the Remaining Group, which is the quotient arrived at by dividing current assets by current liabilities, was 60.8%.

The gearing ratio of the Remaining Group, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 111.5%.

As at 30 June 2021, the Remaining Group had a total debts and borrowings of approximately RMB6,325.3 million. The debts and borrowings were dominated in RMB and repayable within 9 years.

#### *Foreign Currency and Interest Rate Exposure*

The Group mainly operates in China. Other than bank deposits denominated in foreign currencies, the Group is not exposed to any material risk related to fluctuations in foreign exchange rates. The Directors do not expect any material adverse effect on the operation of the Group arising from any fluctuation in the exchange rate of RMB.

During the year, the Remaining Group had interest-bearing loans from banks, non-bank financial institutions, and financial leasing companies. Accordingly, the Remaining Group's cost of loans was affected by changes in interest rates. As at 30 June 2021, interest-bearing borrowings of RMB1.6 billion, being approximately 25.4% of the total interest-bearing borrowings, were on a floating rate basis. The remaining interest-bearing borrowings of RMB4.7 billion were on fixed interest rate basis. The Remaining Group adopts a prudent funding and treasury policy and manages the fluctuation exposure of interest rate on specific transactions.

#### *Contingent Liabilities*

As at 30 June 2021, the Remaining Group had not provided any guarantees.

#### *Charges on Assets*

As at 30 June 2021, the Remaining Group pledged certain assets to financial institutions in the PRC to secure the loans of approximately RMB5.7 billion. These assets included property, plant and equipment, investment properties, right-of-use assets, receivables and completed properties held for sale, of which aggregate carrying value as at 30 June 2021 amounted to approximately RMB1.6 billion, RMB1.6 billion, RMB0.8 billion, RMB0.1 billion and RMB0.1 billion respectively.

#### *Capital Expenditure*

As at 30 June 2021, the Remaining Group's contracted commitment for capital expenditure was approximately RMB282.3 million.

*Employees and Remuneration Policy*

As at 30 June 2021, the Remaining Group employed around 2,909 full-time employees in the PRC and Hong Kong. Remuneration of the employees were subject to adjustment in respect of the individual performance, contribution of each employee and market condition on an annual basis. The emoluments of the Directors were reviewed and recommended by the remuneration committee of the Board (the “Remuneration Committee”), having regard to the Remaining Group’s operating results, individual performance and comparable market statistics. The staff cost for the six months ended 30 June 2021, including executive compensation, amounted to RMB150.4 million.

*Material Acquisitions and Disposals*

For the six months ended 30 June 2021, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

*Business Review*

Since the outbreak of COVID-19 in early 2020, the domestic tourism industry has been adversely impacted. In response to the requirements of pandemic prevention and control, the operation of all of the Company’s projects was suspended since 24 January 2020, which was partially resumed since late March 2020 and fully resumed at of June 2020. In the second half of 2020, with the volatility of the pandemic situation in certain regions, the Group actively supported the pandemic prevention and control work of the local government and suspended the operation of certain parks until receiving instruction of work resumption. In context of normalized pandemic prevention and control, the Company took effective and scientific pandemic prevention measures for the re-opening of our parks.

The Group devoted great efforts to the settlement and audit work of various construction projects of the Shanghai Project, effectively controlled the costs of the project and substantially completed the completion filing. The completion filing of Sanya Haichang Fantasy Town has been completed and currently, the settlement and audit work is carried out in an orderly manner and the costs are under effective control.

The Remaining Group recorded revenue (from continuing operations) of approximately RMB785.8 million for the year ended 31 December 2020 (2019: RMB1,740.6 million).

Revenue from park operations segment for 2020 amounted to approximately RMB785.8 million, representing a decrease of approximately 54.9% as compared to approximately RMB1,740.6 million for 2019. Such segment revenue decrease was mainly attributable to the significant decrease in revenue from park operations during the current year due to effect of COVID-19 outbreak.

Revenue from property development segment for 2020 amounted to nil (2019: nil).

#### *Segment Results*

The measure used for segment results of the Remaining Group is loss before tax.

Park operations segment reported a loss of approximately RMB1,399.8 million for 2020, as compared to loss of RMB267.1 million for 2019. Such loss increase was primarily attributable to the significant decrease in revenue from park operations during the current year due to effect of COVID-19 outbreak.

#### *Core Operating Profit/Loss*

During 2020, the Remaining Group's core operating loss was approximately RMB543.3 million, as compared with a core operating profit of RMB514.6 million for 2019. Such core operating loss increase was primarily attributable to the significant decrease in revenue from park operations during the current year due to effect of COVID-19 outbreak.

#### *(Loss)/Profit Attributable to Equity Holders of the Parent*

During 2020, the Remaining Group's loss attributable to the equity holders of the Company amounted to approximately RMB1,359.3 million (2019: loss of approximately RMB314.2 million).

The increase in loss attributable to the equity holders of the parent for 2020 was mainly due to the significant decrease in revenue from park operations during the current year due to effect of COVID-19 outbreak.

#### *Liquidity, Borrowings and Financial Resources*

As at 31 December 2020, the Remaining Group had total cash and bank balances of approximately RMB2,302.1 million. As at 31 December 2020, the current ratio of the Remaining Group, which is the quotient arrived at by dividing current assets by current liabilities, was 63.6%.

The gearing ratio of the Remaining Group, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 106.0%.

As at 31 December 2020, the Remaining Group had a total debts and borrowings of approximately RMB6,668.7 million. The debts and borrowings were dominated in RMB and repayable within 10 years.



*Foreign Currency and Interest Rate Exposure*

The Group mainly operates in China. Other than bank deposits denominated in foreign currencies, the Group is not exposed to any material risk related to fluctuations in foreign exchange rates. The Directors do not expect any material adverse effect on the operation of the Group arising from any fluctuation in the exchange rate of RMB.

During the year, the Remaining Group had interest-bearing loans from banks, non-bank financial institutions, and financial leasing companies. Accordingly, the Remaining Group's cost of loans was affected by changes in interest rates. As at 31 December 2020, interest-bearing borrowings of RMB1.6 billion, being approximately 23.9% of the total interest bearing borrowings, were on a floating rate basis. The remaining interest-bearing borrowings of RMB5.1 billion were on fixed interest rate basis. The Remaining Group adopts a prudent funding and treasury policy and manages the fluctuation exposure of interest rate on specific transactions.

*Contingent Liabilities*

As at 31 December 2020, the Remaining Group had not provided any guarantees.

*Charges on Assets*

As at 31 December 2020, the Remaining Group pledged certain assets to financial institutions in the PRC to secure the loans of approximately RMB5.8 billion. These assets included property, plant and equipment, investment properties, right-of-use assets, receivables and completed properties held for sale, of which aggregate carrying value as at 31 December 2020 amounted to approximately RMB1.6 billion, RMB1.4 billion, RMB0.8 billion, RMB0.1 billion and RMB0.1 billion respectively.

*Capital Expenditure*

As at 31 December 2020, the Remaining Group's contracted commitment for capital expenditure was approximately RMB237.2 million.

*Employees and Remuneration Policy*

As at 31 December 2020, the Remaining Group employed around 2,993 full-time employees in the PRC and Hong Kong. Remuneration of the employees were subject to adjustment in respect of the individual performance, contribution of each employee and market condition on an annual basis. The emoluments of the Directors were reviewed and recommended by the remuneration committee of the Board (the "Remuneration Committee"), having regard to the Remaining Group's operating results, individual performance and comparable market statistics. The staff cost for 2020, including executive compensation, amounted to RMB281.3 million.

*Material Acquisitions and Disposals*

For the year ended 31 December 2020, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

*Business Review*

2019 is the first complete operating year since commencement of operation of the Shanghai Project and the Sanya Project, two projects of strategic importance of the Group. The Shanghai Project is located in Lingang New Area, Shanghai, with a total site area of 297,000 sq.m. and a total gross floor area of 205,000 sq.m. The Group is committed to develop the Shanghai Project into a world class marine theme park.

The Sanya Project is located at Haitang District, Sanya City, with a total site area of 232,500 sq.m. and a total gross floor area for the purpose of floor area ratio of 68,000 sq.m. The project is positioned as a marine culture and entertainment complex offering immersive experiences, which integrates culture and tourism, leisure and vacation, entertainment and innovative commerce.

The Remaining Group recorded revenue (from continuing operations) of approximately RMB1,740.6 million for the year ended 31 December 2019 (2018: RMB675.4 million).

Revenue from park operations segment for 2019 amounted to approximately RMB1,740.6 million, representing an increase of approximately 157.7% as compared to approximately RMB675.4 million for 2018. Such segment revenue increase was mainly attributable to the first full financial year of Shanghai Project closed, and revenue from ticket business and revenue from non-ticket business of our parks during the current year increased.

Revenue from property development segment for 2019 amounted to nil (2018: nil).

*Segment Results*

The measure used for segment results of the Remaining Group is loss before tax.

Park operations segment reported a loss of approximately RMB267.1 million for 2019, as compared to loss of RMB178.5 million for 2018. Such loss increase was primarily attributable to the higher depreciation, financial cost, and operating costs associated with the construction and opening of the new projects, and thus lower profit margin in the current year.

*Core Operating Profit/Loss*

During 2019, the Remaining Group's core operating profit amounted to approximately RMB514.6 million, as compared with a core operating profit of RMB103.1 million for 2018. Such core operating profit increase was primarily attributable to the increase in both revenue from ticket sales and non-ticket business of our parks in the current year.

*(Loss)/Profit Attributable to Equity Holders of the Parent*

During 2019, the Remaining Group's loss attributable to the equity holders of the Company amounted to approximately RMB314.2 million (2018: loss of approximately RMB227.6 million).

The increase in loss attributable to the equity holders of the parent for 2019 was mainly due to the higher depreciation, financial cost, and operating costs associated with the construction and opening of the new projects, and thus lower profit margin in the current year.

*Liquidity, Borrowings and Financial Resources*

As at 31 December 2019, the Remaining Group had total cash and bank balances of approximately RMB2,393.2 million. As at 31 December 2019, the current ratio of the Remaining Group, which is the quotient arrived at by dividing current assets by current liabilities, was 67.6%.

The gearing ratio of the Remaining Group, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 76.5%.

As at 31 December 2019, the Remaining Group had a total debts and borrowings of approximately RMB6,030.2 million. The debts and borrowings were dominated in RMB and repayable within 11 years.

*Foreign Currency and Interest Rate Exposure*

The Group mainly operates in China. Other than bank deposits denominated in foreign currencies, the Group is not exposed to any material risk related to fluctuations in foreign exchange rates. The Directors do not expect any material adverse effect on the operation of the Group arising from any fluctuation in the exchange rate of RMB.

During the year, the Remaining Group had interest-bearing loans from banks, non-bank financial institutions, and financial leasing companies. Accordingly, the Remaining Group's cost of loans was affected by changes in interest rates. As at 31 December 2019, interest-bearing borrowings of RMB2.2 billion, being approximately 36.7% of the total interest-bearing borrowings, were on a floating rate basis. The

remaining interest-bearing borrowings of RMB3.8 billion were on fixed interest rate basis. The Remaining Group adopts a prudent funding and treasury policy and manages the fluctuation exposure of interest rate on specific transactions.

#### *Contingent Liabilities*

As at 31 December 2019, the Remaining Group had not provided any guarantees.

#### *Charges on Assets*

As at 31 December 2019, the Remaining Group pledged certain assets to financial institutions in the PRC to secure the loans of approximately RMB5.8 billion. These assets included property and equipment, investment properties, right-of-use assets and completed properties held for sale, of which aggregate carrying value as at 31 December 2019 amounted to approximately RMB1.4 billion, RMB1.3 billion, RMB0.8 billion and RMB0.1 billion respectively.

#### *Capital Expenditure*

As at 31 December 2019, the Remaining Group's contracted commitment for capital expenditure was approximately RMB149.7 million.

#### *Employees and Remuneration Policy*

As at 31 December 2019, the Remaining Group employed around 3,553 full-time employees in the PRC and Hong Kong. Remuneration of the employees were subject to adjustment in respect of the individual performance, contribution of each employee and market condition on an annual basis. The emoluments of the Directors were reviewed and recommended by the remuneration committee of the Board (the "Remuneration Committee"), having regard to the Remaining Group's operating results, individual performance, and comparable market statistics. The staff cost for 2019, including executive compensation, amounted to RMB454.3 million.

#### *Material Acquisitions and Disposals*

For the year ended 31 December 2019, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

#### *Business Review*

In 2018, two new projects commenced operation as scheduled and the operation was steady.

On 16 November 2018, Shanghai Haichang Ocean Park and its themed vacation hotel officially commenced operation. On 20 January 2019, Sanya Haichang Fantasy Town officially commenced operation. The launch of these two flagship projects effectively extended the presence of the Group to the Yangtze River Delta region and South China Region, which further enhanced the Group's leading position in this market segment.

During the period, the Group also actively promoted the implementation of the strategy of developing its existing projects into regional tourism destinations. With the grand opening of Anping Camping Hotel of the Chongqing Project, hot spring product was added to our portfolio and the model of all-season operation was started.

The Remaining Group recorded revenue (from continuing operations) of approximately RMB675.4 million for the year ended 31 December 2018 (2017: RMB612.5 million).

Revenue from park operations segment for 2018 amounted to approximately RMB675.4 million, representing an increase of approximately 10.3% as compared to approximately RMB612.5 million for 2017. Such segment revenue increase was mainly attributable to the increase in revenue from ticket business and revenue from non-ticket business of our parks during the current year.

Revenue from property development segment for 2018 amounted to nil (2017: nil).

#### *Segment Results*

The measure used for segment results of the Remaining Group is profit/loss before tax.

Park operations segment reported a loss of approximately RMB178.5 million for 2018, as compared to profit of RMB15.6 million for 2017. Such segment loss was mainly due to the Shanghai Project commenced operation on 16 November 2018, and incurred higher fixed costs during the starting period with increase in marketing expenses arising from trial operation.

#### *Core Operating Profit/Loss*

During 2018, the Remaining Group's core operating profit was approximately RMB103.1 million, as compared with a core operating profit of RMB195.9 million for 2017. Such profit decrease was primarily attributable to incurred higher costs during the starting period with increase in marketing expenses arising from trial operation of Shanghai project.

*(Loss)/Profit Attributable to Equity Holders of the Parent*

During 2018, the Remaining Group's loss attributable to the equity holders of the Company amounted to approximately RMB227.6 million (2017: loss of approximately RMB10.7 million).

The loss attributable to the equity holders of the parent for 2018 was mainly due to the Shanghai Project commenced operation on 16 November 2018, and incurred higher fixed costs during the starting period with increase in marketing expenses arising from trial operation.

*Liquidity, Borrowings and Financial Resources*

As at 31 December 2018, the Remaining Group had total cash and bank balances of approximately RMB1,837.3 million. As at 31 December 2018, the current ratio of the Remaining Group, which is the quotient arrived at by dividing current assets by current liabilities, was 63.0%.

The gearing ratio of the Remaining Group, which is the quotient arrived at by dividing net debts by the aggregate of net debts and total equity, was 65.1%.

As at 31 December 2018, the Remaining Group had a total debts and borrowings of approximately RMB5,130.9 million. The debts and borrowings were dominated in RMB and repayable within 12 years.

*Foreign Currency and Interest Rate Exposure*

The Group mainly operates in China. Other than bank deposits denominated in foreign currencies, the Group is not exposed to any material risk related to fluctuations in foreign exchange rates. The Directors do not expect any material adverse effect on the operation of the Group arising from any fluctuation in the exchange rate of RMB.

During the year, the Remaining Group had interest-bearing loans from banks, non-bank financial institutions, and financial leasing companies. Accordingly, the Remaining Group's cost of loans was affected by changes in interest rates. As at 31 December 2018, interest-bearing borrowings of RMB2.1 billion, being approximately 41.2% of the total interest-bearing borrowings, were on a floating rate basis. The remaining interest-bearing borrowings of RMB3.0 billion were on fixed interest rate basis. The Remaining Group adopts a prudent funding and treasury policy and manages the fluctuation exposure of interest rate on specific transactions.

*Contingent Liabilities*

As at 31 December 2018, the Remaining Group had not provided any guarantees.

*Charges on Assets*

As at 31 December 2018, the Remaining Group pledged certain assets to financial institutions in the PRC to secure the loans of approximately RMB4.7 billion. These assets included property, plant and equipment, investment properties, right-of-use assets and completed properties held for sale, of which aggregate carrying value as at 31 December 2018 amounted to approximately RMB4.5 billion, RMB1.4 billion, RMB0.9 billion and RMB0.1 billion respectively.

*Capital Expenditure*

As at 31 December 2018, the Remaining Group's contracted commitment for capital expenditure was approximately RMB156.5 million.

*Employees and Remuneration Policy*

As at 31 December 2018, the Remaining Group employed around 3,622 full-time employees in the PRC and Hong Kong. Remuneration of the employees were subject to adjustment in respect of the individual performance, contribution of each employee and market condition on an annual basis. The emoluments of the Directors were reviewed and recommended by the remuneration committee of the Board (the "Remuneration Committee"), having regard to the Remaining Group's operating results, individual performance and comparable market statistics. The staff cost for 2018, including executive compensation, amounted to RMB347.3 million.

*Material Acquisitions and Disposals*

For the year ended 31 December 2018, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

**UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL GROUP**

Set out below are the unaudited combined statements of financial position of Dalian WFOE1, Dalian WFOE2, Wuhan Company, Chengdu Company, Tianjin Company, Qingdao Company and Zhengzhou Project Company (collectively, the “Disposal Group”) as of 31 December 2018, 2019 and 2020 and 30 June 2021 and the related unaudited combined statements of profit or loss and comprehensive income, the unaudited combined statements of changes in equity and the unaudited combined statements of cash flows for each of the years ended 31 December 2018, 2019 and 2020, and the six months ended 30 June 2021 (the “Relevant Periods”), and explanatory notes (collectively referred to as the “Unaudited Combined Financial Information”). The Unaudited Combined Financial Information has been prepared on the basis set out in note 2.1 below and prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Main Board Listing Rule”).

The Company’s auditor, Ernst & Young, has reviewed the Unaudited Combined Financial Information set out in pages II-2 to II-11 of this circular in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on their review, nothing has come to their attention that causes them to believe that the Unaudited Combined Financial Information of the Disposal Group for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Unaudited Combined Financial Information.



**APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL GROUP**

**UNAUDITED COMBINED FINANCIAL INFORMATION OF THE DISPOSAL GROUP**

**UNAUDITED COMBINED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**

*For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021*

	Year ended 31 December			Six months ended	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>REVENUE</b>	1,176,134	1,163,049	437,322	112,564	794,128
Cost of sales	<u>(441,657)</u>	<u>(405,589)</u>	<u>(347,685)</u>	<u>(141,065)</u>	<u>(351,037)</u>
<b>GROSS PROFIT/(LOSS)</b>	734,477	757,460	89,637	(28,501)	443,091
Other income and gains	59,456	229,453	263,186	64,584	88,015
Selling and marketing expenses	(91,645)	(94,836)	(48,503)	(13,116)	(58,409)
Administrative expenses	(167,506)	(203,284)	(135,031)	(62,906)	(85,766)
Impairment losses on financial and contract assets, net	(35,112)	(15,783)	(10,682)	(5,835)	(1,547)
Other expenses	(2,131)	(3,596)	(59,216)	(26,719)	(5,775)
Finance costs	<u>(122,810)</u>	<u>(226,902)</u>	<u>(217,149)</u>	<u>(101,085)</u>	<u>(106,813)</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>	374,729	442,512	(117,758)	(173,578)	272,796
Income tax (expense)/credit	<u>(107,281)</u>	<u>(103,117)</u>	<u>25,400</u>	<u>42,332</u>	<u>(114,017)</u>
<b>INCOME/(LOSS) FOR THE YEAR/PERIOD</b>	<u><u>267,448</u></u>	<u><u>339,395</u></u>	<u><u>(92,358)</u></u>	<u><u>(131,246)</u></u>	<u><u>158,779</u></u>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR/PERIOD</b>	<u><u>267,448</u></u>	<u><u>339,395</u></u>	<u><u>(92,358)</u></u>	<u><u>(131,246)</u></u>	<u><u>158,779</u></u>

**Unaudited Combined Statements of Financial Position**

*31 December 2018, 2019 and 2020 and 30 June 2021*

	<b>At 31 December</b>			<b>At 30 June</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	1,616,627	1,934,855	1,908,237	1,885,539
Investment properties	1,724,400	1,598,300	1,549,000	1,560,600
Prepaid land lease payments	696,984	–	–	–
Right-of-use assets	–	717,424	708,599	705,543
Intangible assets	849	823	684	614
Financial assets at fair value				
through profit or loss	30,000	18,960	18,960	15,592
Deferred tax assets	–	–	10,017	8,139
Long-term prepayments, receivables and deposits	124,924	112,752	32,992	26,573
Properties under development	147,275	153,051	153,051	153,051
	<u>4,341,059</u>	<u>4,536,165</u>	<u>4,381,540</u>	<u>4,355,651</u>
Total non-current assets				
<b>CURRENT ASSETS</b>				
Completed properties held for sale	141,155	40,053	19,943	81,176
Properties under development	186,099	234,438	316,427	90,953
Inventories	12,137	13,879	11,798	10,549
Trade receivables	70,407	74,321	70,191	109,554
Contract assets	5,166	1,357	–	–
Prepayments, other receivables and other assets	4,860,350	5,340,590	5,658,208	5,620,551
Tax recoverable	–	37,190	55,732	19,869
Financial assets at fair value				
through profit or loss	200	200	200	200
Pledged deposits	18,165	4,418	7,474	9,382
Cash and cash equivalents	83,833	91,292	105,974	64,828
	<u>5,377,512</u>	<u>5,837,738</u>	<u>6,245,947</u>	<u>6,007,062</u>
Total current assets				

**APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL GROUP**

	<b>At 31 December</b>			<b>At 30 June</b>
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>CURRENT LIABILITIES</b>				
Trade payables	392,906	264,732	260,754	356,742
Other payables and accruals	3,071,820	3,372,146	3,711,319	3,494,191
Advances from customers	3,717	1,389	2,048	1,172
Interest-bearing bank and other borrowings	291,594	356,376	426,132	497,700
Government grants	14,131	63,305	79,585	14,718
Deferred revenue	2,746	89	67	61
Tax payables	151,319	194,313	183,726	245,324
<b>Total current liabilities</b>	<u>3,928,233</u>	<u>4,252,350</u>	<u>4,663,631</u>	<u>4,609,908</u>
<b>NET CURRENT ASSETS</b>	<u>1,449,279</u>	<u>1,585,388</u>	<u>1,582,316</u>	<u>1,397,154</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>5,790,338</u>	<u>6,121,553</u>	<u>5,963,856</u>	<u>5,752,805</u>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing bank and other borrowings	2,558,159	2,120,350	2,100,913	2,002,747
Long-term payables	–	110,488	103,987	–
Government grants	433,159	424,146	409,321	451,139
Deferred revenue	–	841	775	743
Deferred tax liabilities	95,684	120,067	95,557	90,095
<b>Total non-current liabilities</b>	<u>3,087,002</u>	<u>2,775,892</u>	<u>2,710,553</u>	<u>2,544,724</u>
<b>NET ASSETS</b>	<u><u>2,703,336</u></u>	<u><u>3,345,661</u></u>	<u><u>3,253,303</u></u>	<u><u>3,208,081</u></u>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Paid up capital	949,868	1,252,798	1,252,798	1,252,798
Reserves	1,753,468	2,092,863	2,000,505	1,955,283
<b>TOTAL EQUITY</b>	<u><u>2,703,336</u></u>	<u><u>3,345,661</u></u>	<u><u>3,253,303</u></u>	<u><u>3,208,081</u></u>

**APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL GROUP**

**Unaudited Combined Statements of Changes in Equity**

*For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021*

	<b>Paid-up capital</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Capital reserve</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Statutory reserves</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Retained profits</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Total equity</b> <i>RMB'000</i> <i>(Unaudited)</i>
At 1 January 2018	939,868	88,674	150,228	1,247,118	2,425,888
Profit for the year	—	—	—	267,448	267,448
Total comprehensive profit for the year	—	—	—	267,448	267,448
Capital injection	10,000	—	—	—	10,000
Transfer from retained profits	—	—	22,304	(22,304)	—
At 31 December 2018 and 1 January 2019	949,868	88,674*	172,532*	1,492,262*	2,703,336
Profit for the year	—	—	—	339,395	339,395
Total comprehensive profit for the year	—	—	—	339,395	339,395
Capital injection	302,930	—	—	—	302,930
Transfer from retained profits	—	—	31,022	(31,022)	—
At 31 December 2019 and 1 January 2020	1,252,798	88,674*	203,554*	1,800,635*	3,345,661
Loss for the year	—	—	—	(92,358)	(92,358)
Total comprehensive loss for the year	—	—	—	(92,358)	(92,358)
Transfer from retained profits	—	—	1,715	(1,715)	—
At 31 December 2020 and 1 January 2021	<u>1,252,798</u>	<u>88,674*</u>	<u>205,269*</u>	<u>1,706,562*</u>	<u>3,253,303</u>

\* These reserve accounts comprise the combined reserves of RMB1,753,468,000, RMB2,092,863,000 and RMB2,000,505,000 as at 31 December 2018, 31 December 2019 and 31 December 2020, respectively.

**APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL GROUP**

	<b>Paid-up capital</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Capital reserve</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Statutory reserves</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Retained profits</b> <i>RMB'000</i> <i>(Unaudited)</i>	<b>Total equity</b> <i>RMB'000</i> <i>(Unaudited)</i>
At 31 December 2020 and 1 January 2021	1,252,798	88,674	205,269	1,706,562	3,253,303
Profit for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>158,779</u>	<u>158,779</u>
Total comprehensive profit for the period	–	–	–	158,779	158,779
Dividends paid	–	–	–	(204,001)	(204,001)
Transfer from retained profits	<u>–</u>	<u>–</u>	<u>13,160</u>	<u>(13,160)</u>	<u>–</u>
At 30 June 2021	1,252,798	88,674*	218,429*	1,648,180*	3,208,081
At 31 December 2019 and 1 January 2020	1,252,798	88,674	203,554	1,800,635	3,345,661
Loss for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>(131,246)</u>	<u>(131,246)</u>
Total comprehensive loss for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>(131,246)</u>	<u>(131,246)</u>
At 30 June 2020	<u>1,252,798</u>	<u>88,674*</u>	<u>203,554*</u>	<u>1,669,389*</u>	<u>3,214,415</u>

\* These reserve accounts comprise the combined reserves of RMB1,961,617,000 and RMB1,955,283,000 as at 30 June 2020 and 30 June 2021, respectively.

**Unaudited Combined Statements of Cash Flows**

*For the years ended 31 December 2018, 2019 and 2020 and the six months ended 30 June 2020 and 2021*

	Year ended 31 December			Six months ended	
	2018	2019	2020	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM</b>					
<b>OPERATING ACTIVITIES</b>					
Profit/(loss) before tax	374,729	442,512	(117,758)	(173,578)	272,796
Adjustments for:					
Finance costs	122,810	226,902	217,149	101,085	106,813
Interest income	(668)	(588)	(520)	(137)	(171)
Dividend income	–	(13,735)	–	–	–
Loss/(gain) on disposal of items of property, plant and equipment	476	1,579	4,641	(23)	2,939
Government grants recognised	(15,439)	(67,075)	(186,898)	(29,378)	(43,711)
Depreciation of property, plant and equipment	89,645	100,145	103,925	52,577	43,129
Amortisation of intangible assets	150	142	139	70	70
Amortisation of prepaid land lease payments	19,748	–	–	–	–
Depreciation of right-of-use assets	–	20,641	8,934	5,257	5,056
Changes in fair value of investment properties	(3,840)	(60,457)	46,191	18,491	(13,371)
Loss on revaluation upon reclassification from completed properties held for sale to property, plant and equipment	–	–	7,415	–	–
Gain on modifications of financial liabilities that do not result in derecognition	–	(6,707)	–	–	–
Gain on revaluation upon reclassification from properties under development to investment properties	–	–	–	–	(3,316)
Fair value loss on financial assets at fair value through profit or loss	–	–	–	–	3,368
Reversal of write-down of inventories to net realisable value	–	(1,145)	–	–	–
Impairment/(reversal of impairment) of trade receivables, net	31,658	12,342	1,895	(2,676)	2,457
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets	3,338	3,441	8,787	8,511	(910)
	<u>622,607</u>	<u>657,997</u>	<u>93,900</u>	<u>(19,801)</u>	<u>375,149</u>

## APPENDIX II

## UNAUDITED FINANCIAL INFORMATION OF THE DISPOSAL GROUP

	Year ended 31 December			Six months ended	
	2018	2019	2020	30 June	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Increase in properties under development	(168,021)	(56,423)	(81,989)	(23,777)	(22,100)
Decrease in completed properties held for sale	40,146	–	–	–	175,892
(Increase)/decrease in inventories	(2,350)	(597)	2,081	2,653	1,249
(Increase)/decrease in trade receivables	(35,738)	(16,256)	2,235	(7,400)	(41,820)
Decrease in contract assets	–	3,809	1,357	1,357	–
(Increase)/decrease in prepayments, other receivables and other assets	(2,379,111)	(490,212)	(326,405)	12,659	38,567
(Increase)/decrease in restricted cash and bank balances	(43)	(53,875)	(4,234)	(1,008)	17,451
(Decrease)/increase in advances from customers	(21,696)	(2,328)	659	(176)	(876)
Increase/(decrease) in trade payables	53,334	(12,023)	(4,445)	(8,334)	2,190
Increase/(decrease) in other payables and accruals	266,983	300,326	297,176	(65,800)	(445,159)
Receipt of government grants	5,398	107,236	188,353	30,513	20,662
Decrease in deferred revenue	(16,206)	(1,816)	(88)	(44)	(38)
Cash (used in)/generated from operations	(1,634,697)	435,838	168,600	(79,158)	121,167
Interest received	668	588	520	137	171
Taxes paid	(127,584)	(72,930)	(14,843)	(6,448)	(17,046)
<b>Net cash flows (used in)/from operating activities</b>	<b>(1,761,613)</b>	<b>363,496</b>	<b>154,277</b>	<b>(85,469)</b>	<b>104,292</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of items of property, plant and equipment	(264,876)	(225,269)	(1,108)	38,164	(20,673)
Increase in investment properties	(8,430)	–	–	–	–
(Increase)/decrease in long-term prepayments and deposits	(4,097)	97,104	6,875	7,583	6,258
Increase in prepaid land payments	(23,799)	–	–	–	–
Additions to intangible assets	–	(116)	–	–	–
Proceeds from disposal of items of property, plant and equipment	1,596	1,468	1,311	1,966	416
Proceeds of disposal of financial assets at fair value through profit or loss	–	11,040	–	–	–
<b>Net cash flows (used in)/from investing activities</b>	<b>(299,606)</b>	<b>(115,773)</b>	<b>7,078</b>	<b>47,713</b>	<b>(13,999)</b>

	Year ended 31 December			Six months ended	
	2018	2019	2020	30 June	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
New bank and other loans	3,032,240	198,881	339,654	127,823	20,308
Repayment of bank and other loans	(891,838)	(571,908)	(289,335)	(39,891)	(46,906)
Capital injection	10,000	302,930	–	–	–
(Decrease)/increase in pledged deposits	(17,016)	13,747	(3,056)	393	(1,908)
Interest paid	(122,810)	(237,789)	(198,170)	(51,656)	(85,482)
<b>Net cash flows from/(used in) financing activities</b>	<u>2,010,576</u>	<u>(294,139)</u>	<u>(150,907)</u>	<u>36,669</u>	<u>(113,988)</u>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>					
Cash and cash equivalents at beginning of year/period	134,433	83,790	37,374	37,374	47,822
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD</b>	<u>83,790</u>	<u>37,374</u>	<u>47,822</u>	<u>36,287</u>	<u>24,127</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>					
Cash and bank balances	83,833	91,292	105,974	91,213	64,828
Cash and cash equivalents as stated in the statement of financial position	83,833	91,292	105,974	91,213	64,828
Restricted cash and bank balances	(43)	(53,918)	(58,152)	(54,926)	(40,701)
Cash and cash equivalents as stated in the statement of cash flows	<u>83,790</u>	<u>37,374</u>	<u>47,822</u>	<u>36,287</u>	<u>24,127</u>



**NOTES TO UNAUDITED COMBINED FINANCIAL INFORMATION**

**31 December 2018, 2019 and 2020 and 30 June 2021**

**1. GENERAL INFORMATION**

Wuhan Company, Chengdu Company, Qingdao Company, Tianjin Company and Zhengzhou Project Company are limited liability enterprises established in Mainland China which are principally engaged in park development and operation.

Dalian WFOE1 is a wholly-foreign-owned enterprise established in Mainland China on 26 August 2021. Dalian WFOE2 is a wholly-foreign-owned enterprise established in Mainland China on 8 October 2021.

In the opinion of the directors of Haichang Ocean Park Holdings Ltd (the “Directors”), the intermediate holding company of the Four Theme Parks Companies is DLHC. The intermediate holding company of Zhengzhou Project Company is ZZHC. The intermediate holding company of Dalian WFOE1 and Dalian WFOE2 is HKHC. The Company, which is incorporated in the Cayman Islands and listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), is the ultimate holding company of the Disposal Group.

The Unaudited Combined Financial Information is presented in Renminbi (“RMB”). All values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

**2.1 BASIS OF PREPARATION**

The Unaudited Combined Financial Information of the Disposal Group has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Main Board Listing Rule, and solely for the purpose of inclusion in this circular to be issued by the Company in connection with its disposal of (a) the entire interests in the Four Theme Parks Companies; (b) the 66% equity interest in Zhengzhou Project Company; and (c) the entire equity interests in Dalian WFOE1 and Dalian WFOE2 (collectively, the “Disposal”).

Upon completion of the Disposal, the Disposal Group will cease to be subsidiaries of the Company.

The details of the Disposal Group are set out below:

<b>Name</b>	<b>Place and date of registration and business</b>	<b>Registered capital</b>
Dalian WFOE1	PRC/Mainland China 26 August 2021	RMB5,000,000,000
Dalian WFOE2	PRC/Mainland China 8 October 2021	RMB500,000,000
Wuhan Company	PRC/Mainland China 26 October 2004	RMB460,000,000
Chengdu Company	PRC/Mainland China 18 December 2003	RMB130,305,000
Qingdao Company	PRC/Mainland China 26 September 2002	RMB346,148,000
Tianjin Company	PRC/Mainland China 24 September 2007	RMB203,414,800
Zhengzhou Project Company	PRC/Mainland China 20 June 2017	RMB669,930,000

The taxes arising from the Disposal will be borne by the Remaining Group.

For the purpose of this report, the Unaudited Combined Financial Information has been prepared on a combined basis of the Disposal Group for the Relevant Periods and as if Dalian WFOE1 and Dalian WFOE2 had been established at the beginning of each of the Relevant Periods.

All intra-group transactions and balances have been eliminated on combination.

The Unaudited Combined Financial Information has been prepared in accordance with the same accounting policies as those adopted by the Group in the preparation of the consolidated financial statements of the Group for the Relevant Periods. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). The Unaudited Combined Financial Information has been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which are measured at fair value.

The Unaudited Combined Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in International Accounting Standards (IAS) 1 *Presentation of Financial Statements* or an interim financial report as defined in IAS 34 *Interim Financial Reporting* and should be read in conjunction with the relevant published annual reports or interim reports of the Group for the Relevant Periods.

## INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is an illustrative and unaudited pro forma consolidated statement of financial position as at 30 June 2021, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 of the Group excluding the Disposal Group upon the completion of the Disposal (the “**Remaining Group**”) (collectively the “**Unaudited Pro Forma Financial Information**”) which have been prepared to illustrate the effect of the Disposal (i) as if the Disposal had been completed on 30 June 2021 for the unaudited pro forma consolidated statement of financial position, and (ii) as if the Disposal had been completed on 1 January 2020 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020.

This Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the Directors in accordance with paragraph 4.29 of Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position, the financial performance and cash flows of the Remaining Group had the Disposal had been completed as at 30 June 2021 or 1 January 2020, where applicable, or any future dates.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021, which has been extracted from the published interim report of the Company for the six months ended 30 June 2021, after making certain pro forma adjustments that are directly attributable to the Disposal and factually supportable, as set out below.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020, which have been extracted from the published annual report for the year ended 31 December 2020, after making certain pro forma adjustments relating to the Disposal that are factually supportable and directly attributable to the Disposal as set out below.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I to this circular, the published annual report of the Company for the year ended 31 December 2020, the published interim report of the Company for the six months ended 30 June 2021, the financial information of the Disposal Group as set out in Appendix II to this circular, the Company’s announcement dated 18 October, 2021 and other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information does not take into account the financial effect arising from any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

## Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group

For the six months ended 30 June 2021

	The Group as at 30 June 2021			Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2021
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)	RMB'000 (Note 5)	RMB'000 (Note 6)	RMB'000
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	6,986,606	(1,885,539)	-	-	-	-	5,101,067
Investment properties	2,501,600	(1,560,600)	-	-	-	-	941,000
Right-of-use assets	1,683,680	(705,543)	-	-	-	-	978,137
Intangible assets	12,900	(614)	-	-	-	-	12,286
Investment in an associate	80,693	-	76,018	-	-	-	156,711
Financial assets at fair value through profit or loss	159,363	(15,592)	-	-	-	15,592	159,363
Deferred tax assets	34,964	(8,139)	-	-	-	-	26,825
Long-term prepayments, receivables and deposits	506,879	(26,573)	-	-	-	-	480,306
Properties under development	465,470	(153,051)	-	-	-	-	312,419
<b>Total non-current assets</b>	<b>12,432,155</b>	<b>(4,355,651)</b>	<b>76,018</b>	<b>-</b>	<b>-</b>	<b>15,592</b>	<b>8,168,114</b>
<b>CURRENT ASSETS</b>							
Completed properties held for sale	144,021	(81,176)	-	-	-	-	62,845
Properties under development	99,698	(90,953)	-	-	-	-	8,745
Inventories	40,767	(10,549)	-	-	-	-	30,218
Trade receivables	156,242	(109,554)	-	-	-	-	46,688
Prepayments, other receivables and other assets	727,331	(5,620,551)	-	8,452,393	-	-	3,559,173
Tax recoverable	19,869	(19,869)	-	-	-	-	-
Financial assets at fair value through profit or loss	200	(200)	-	-	-	-	-
Pledged deposits	9,382	(9,382)	-	-	-	-	-
Cash and cash equivalents	1,746,263	(64,828)	-	-	3,345,762	-	5,027,197
<b>Total current assets</b>	<b>2,943,773</b>	<b>(6,007,062)</b>	<b>-</b>	<b>8,452,393</b>	<b>3,345,762</b>	<b>-</b>	<b>8,734,866</b>

## APPENDIX III

UNAUDITED PRO FORMA  
FINANCIAL INFORMATION OF THE REMAINING GROUP

	The Group as at						Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2021
	30 June 2021		Pro forma adjustments				
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)	RMB'000 (Note 5)	RMB'000 (Note 6)	
<b>CURRENT LIABILITIES</b>							
Trade payables	1,326,600	(356,742)	-	-	-	-	969,858
Other payables and accruals	983,860	(3,494,191)	-	8,452,393	(1,585,254)	19,170	4,375,978
Advances from customers	20,085	(1,172)	-	-	-	-	18,913
Interest-bearing bank and other borrowings	2,381,876	(497,700)	-	-	-	-	1,884,176
Lease liabilities	13,806	-	-	-	-	-	13,806
Government grants	29,904	(14,718)	-	-	-	-	15,186
Deferred revenue	61	(61)	-	-	-	-	-
Tax payables	269,265	(245,324)	-	-	526,058	-	549,999
<b>Total current liabilities</b>	<b>5,025,457</b>	<b>(4,609,908)</b>	<b>-</b>	<b>8,452,393</b>	<b>(1,059,196)</b>	<b>19,170</b>	<b>7,827,916</b>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b>(2,081,684)</b>	<b>(1,397,154)</b>	<b>-</b>	<b>-</b>	<b>4,404,958</b>	<b>(19,170)</b>	<b>906,950</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>10,350,471</b>	<b>(5,752,805)</b>	<b>76,018</b>	<b>-</b>	<b>4,404,958</b>	<b>(3,578)</b>	<b>9,075,064</b>
<b>NON-CURRENT LIABILITIES</b>							
Interest-bearing bank and other borrowings	6,443,838	(2,002,747)	-	-	-	-	4,441,091
Lease liabilities	34,286	-	-	-	-	-	34,286
Government grants	872,307	(451,139)	-	-	-	-	421,168
Deferred revenue	744	(743)	-	-	-	-	1
Deferred tax liabilities	280,001	(90,095)	-	-	-	-	189,906
<b>Total non-current liabilities</b>	<b>7,631,176</b>	<b>(2,544,724)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,086,452</b>
<b>Net assets</b>	<b>2,719,295</b>	<b>(3,208,081)</b>	<b>76,018</b>	<b>-</b>	<b>4,404,958</b>	<b>(3,578)</b>	<b>3,988,612</b>
<b>EQUITY</b>							
<b>Equity attributable to owners of the parent</b>							
Share capital	2,451	-	-	-	-	-	2,451
Reserves	2,643,802	(3,208,081)	76,018	-	4,404,958	(3,578)	3,913,119
	2,646,253	(3,208,081)	76,018	-	4,404,958	(3,578)	3,915,570
Non-controlling interests	73,042	-	-	-	-	-	73,042
<b>Total equity</b>	<b>2,719,295</b>	<b>(3,208,081)</b>	<b>76,018</b>	<b>-</b>	<b>4,404,958</b>	<b>(3,578)</b>	<b>3,988,612</b>

Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other  
Comprehensive Income of the Remaining Group*For the year ended 31 December 2020*

	The Group for the					Unaudited
	year ended		Pro forma adjustments			pro forma
	31 December 2020					consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	statement of
	(Note 7)	(Note 8)	(Note 9)	(Note 10)	(Note 6)	profit or loss of
						the Remaining
						Group for
						the year ended
						31 December
						2020
						RMB'000
Revenue	1,168,222	(437,322)	54,872	-	-	785,772
Cost of sales	(1,297,477)	347,685	-	-	-	(949,792)
Gross loss	(129,255)	(89,637)	54,872	-	-	(164,020)
Other income and gains	251,700	(236,186)	88,375	-	-	76,889
Selling and marketing expenses	(168,957)	48,503	(3,847)	-	-	(124,301)
Administrative expenses	(676,160)	135,031	(51,025)	-	-	(592,154)
Impairment losses on financial and contract assets, net	(23,769)	10,682	-	-	-	(13,087)
Other expenses	(173,720)	59,216	-	-	(210)	(114,714)
Finance costs	(598,725)	217,149	(88,375)	-	-	(469,951)
Share of profit of an associate	1,361	-	-	-	-	1,361
Gain on disposal of subsidiaries	-	-	-	1,608,537	-	1,608,537
(LOSS)/PROFIT BEFORE TAX	(1,517,525)	117,758	-	1,608,537	(210)	208,560
Income tax credit/(expense)	39,071	(25,400)	-	(501,284)	-	(487,613)
(LOSS)/PROFIT FOR THE YEAR	(1,478,454)	92,358	-	1,107,253	(210)	(279,053)
Attributable to						
Owners of the parent	(1,451,637)	92,358	-	1,107,253	(210)	(252,236)
Non-controlling interests	(26,817)	-	-	-	-	(26,817)
	(1,478,454)	92,358	-	1,107,253	(210)	(279,053)

## APPENDIX III

UNAUDITED PRO FORMA  
FINANCIAL INFORMATION OF THE REMAINING GROUP

	The Group for the year ended 31 December 2020					Unaudited pro forma consolidated statement of other comprehensive income of the Remaining Group for the year ended 31 December 2020
	RMB'000 (Note 7)	RMB'000 (Note 8)	Pro forma adjustments		RMB'000 (Note 6)	RMB'000
			RMB'000 (Note 9)	RMB'000 (Note 10)		
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>						
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations	197,811	-	-	-	-	197,811
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	197,811	-	-	-	-	197,811
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations	(197,713)	-	-	-	-	(197,713)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(197,713)	-	-	-	-	(197,713)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>						
	98	-	-	-	-	98
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>						
	<u>(1,478,356)</u>	<u>92,358</u>	<u>-</u>	<u>1,107,253</u>	<u>(210)</u>	<u>(278,955)</u>
Attributable to:						
Owners of the parent	(1,451,539)	92,358	-	1,107,253	(210)	(252,138)
Non-controlling interests	(26,817)	-	-	-	-	(26,817)
	<u>(1,478,356)</u>	<u>92,358</u>	<u>-</u>	<u>1,107,253</u>	<u>(210)</u>	<u>(278,955)</u>

## Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group

	The Group for the		Pro forma adjustments			Unaudited
	year ended					pro forma
	31 December 2020					consolidated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	statement of cash
	(Note 7)	(Note 8)	(Note 9)	(Note 10)	(Note 6)	flows of the
						Remaining Group for
						the year ended
						31 December 2020
						RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
(Loss)/profit before tax	(1,517,525)	117,758	-	1,608,537	(210)	208,560
Adjustments for:						
Depreciation of items of property, plant and equipment	448,602	(103,922)	-	-	-	344,680
Impairment of property, plant and equipment	231,103	-	-	-	-	231,103
Amortisation of intangible assets	4,135	(139)	-	-	-	3,996
Depreciation of right-of-use assets	46,811	(8,934)	-	-	-	37,877
Provision for inventories	53	-	-	-	-	53
Loss on disposal of items of property, plant and equipment	4,641	(4,641)	-	-	-	-
Loss on revaluation upon transfer from completed properties held for sale to property, plant and equipment	7,415	(7,415)	-	-	-	-
Covid-19-related rent concessions from lessors	(2,542)	-	-	-	-	(2,542)
Changes in fair value of investment properties	153,949	(46,191)	-	-	-	107,758
Government grants recognised	(221,955)	186,898	-	-	-	(35,057)
Loss on derecognition of leases	2,049	-	-	-	-	2,049
Gain on modifications of financial liabilities that do not result in derecognition	(566)	-	-	-	-	(566)
Impairment of trade receivables	25,394	(1,895)	-	-	-	23,499
Reversal of impairment of financial assets included in prepayments, other receivables and other assets	(1,925)	(8,787)	-	-	-	(10,712)
Impairment of contract assets, net	516	-	-	-	-	516
Reversal of impairment of amounts due from related companies	(216)	-	-	-	-	(216)
Finance costs	598,725	(217,149)	-	-	-	381,576



## APPENDIX III

UNAUDITED PRO FORMA  
FINANCIAL INFORMATION OF THE REMAINING GROUP

	The Group for the					Unaudited
	year ended					pro forma
	31 December 2020					consolidated
	RMB'000	RMB'000	Pro forma adjustments		RMB'000	statement of cash
	(Note 7)	(Note 8)	(Note 9)	(Note 10)	(Note 6)	flows of the
						Remaining Group for
						the year ended
						31 December 2020
						RMB'000
Foreign exchange loss	238	-	-	-	-	238
Share of profit of an associate	(1,361)	-	-	-	-	(1,361)
Interest income	(10,218)	520	-	-	-	(9,698)
Fair value losses, net:						
Financial assets at fair value through profit or loss	-	-	-	-	210	210
Gain on disposal of subsidiaries	-	-	-	(1,608,537)	-	(1,608,537)
	(232,677)	(93,897)	-	-	-	(326,574)
(Increase)/decrease in properties under development	(81,989)	81,989	-	-	-	-
Decrease/(increase) in contract assets	2,343	(1,357)	-	-	-	986
Decrease/(increase) in inventories	10,024	(2,081)	-	-	-	7,943
Decrease/(increase) in trade receivables	20,264	(2,235)	-	-	-	18,029
(Increase)/decrease in prepayments and other receivables	(129,790)	326,405	-	-	-	196,615
Increase in amounts due from related companies	(5,259)	-	-	-	-	(5,259)
(Increase)/decrease in restricted cash and bank balances	(8,700)	4,234	-	-	-	(4,466)
(Decrease)/increase in amounts due to related companies	(6,913)	4	-	-	-	(6,909)
Increase/(decrease) in advances from customers	13,563	(659)	-	-	-	12,904
Increase in trade payables	66,515	4,445	-	-	-	70,960
Increase/(decrease) in other payables and accruals	274,151	(297,180)	-	-	-	(23,029)
Increase/(decrease) in government grants	216,552	(188,353)	-	-	-	28,199
(Decrease)/increase in deferred revenue	(567)	88	-	-	-	(479)
<b>Cash generated from/(used in) operations</b>	<b>137,517</b>	<b>(168,597)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,080)</b>
Interest received	1,376	(520)	-	-	-	856
Interest paid	(3,375)	-	-	-	-	(3,375)
Tax paid	(17,949)	14,843	-	-	-	(3,106)
<b>Net cash flows generated from/ (used in) operating activities</b>	<b>117,569</b>	<b>(154,274)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,705)</b>

**APPENDIX III**
**UNAUDITED PRO FORMA  
FINANCIAL INFORMATION OF THE REMAINING GROUP**

	The Group for the year ended 31 December 2020					Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2020
	RMB'000 (Note 7)	RMB'000 (Note 8)	Pro forma adjustments		RMB'000 (Note 6)	RMB'000
			RMB'000 (Note 9)	RMB'000 (Note 10)		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of items of property, plant and equipment	(194,758)	1,105	-	-	-	(193,653)
Increase in long-term prepayments and deposits	(15,355)	(6,875)	-	-	-	(22,230)
Increase in financial assets at fair value through profit or loss	(4,900)	-	-	-	-	(4,900)
Purchase of intangible assets	(1,651)	-	-	-	-	(1,651)
Interest received	8,842	-	-	-	-	8,842
Proceeds from disposal of items of property, plant and equipment	5,085	(1,311)	-	-	-	3,774
Additions to investment properties	(10,563)	-	-	-	-	(10,563)
Increase in other receivables	(200,000)	-	-	-	-	(200,000)
Net proceeds from disposal of subsidiaries	-	-	-	3,307,377	-	3,307,377
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(413,300)</b>	<b>(7,081)</b>	<b>-</b>	<b>3,307,377</b>	<b>-</b>	<b>2,886,996</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
New bank and other loans	1,926,782	(339,654)	-	-	-	1,587,128
Repayment of bank and other loans	(1,237,970)	289,335	-	-	-	(948,635)
Principal portion of lease payments	(12,498)	-	-	-	-	(12,498)
Increase in pledged deposits	(34,579)	3,056	-	-	-	(31,523)
Interest paid	(430,922)	198,170	-	-	-	(232,752)
<b>Net cash flows generated from financing activities</b>	<b>210,813</b>	<b>150,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361,720</b>

	The Group for the					Unaudited
	year ended					pro forma
	31 December 2020					consolidated
	RMB'000	RMB'000	Pro forma adjustments		RMB'000	statement of cash
	(Note 7)	(Note 8)	(Note 9)	(Note 10)	(Note 6)	flows of the
						Remaining Group for
						the year ended
						31 December 2020
						RMB'000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(84,918)	(10,448)	-	3,307,377	-	3,212,011
Cash and cash equivalents at beginning of year	2,430,550	(37,374)	-	-	-	2,393,176
Effect of foreign exchange rate changes, net	(140)	-	-	-	-	(140)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>2,345,492</b>	<b>(47,822)</b>	<b>-</b>	<b>3,307,377</b>	<b>-</b>	<b>5,605,047</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>						
Cash and bank balances	2,408,110	(105,974)	-	3,307,377	-	5,609,513
Cash and cash equivalents as stated in the statement of financial position	2,408,110	(105,974)	-	3,307,377	-	5,609,513
Restricted cash and bank balances	(62,618)	58,152	-	-	-	(4,466)
Cash and cash equivalents as stated in the statement of cash flows	2,345,492	(47,822)	-	3,307,377	-	5,605,047

**Notes to the Unaudited Pro Forma Financial Information**

- (1) The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021 as set out in the published interim report of the Company for the six months ended 30 June 2021.
- (2) The adjustment represents assets and liabilities of the Disposal Group as at 30 June 2021 set out in Appendix II to this circular as if the Disposal had been completed on 30 June 2021.
- (3) The adjustment represents the recognition of the fair value of the 34% equity interest in the Zhengzhou Project Company upon deconsolidation as a subsidiary which was accounted for as an interest in an associate of the Remaining Group. The Group has adopted the asset-based approach and made reference to the valuation set out in Appendix IV for the fair value of non-current asset of Zhengzhou Project Company comprising RMB572 million and RMB298 million to further derive the fair value of net asset amounting to RMB224 million for Zhengzhou Project Company as at 30 June 2021. Please refer to Note (5)(ii) for details.
- (4) The adjustment represents the intragroup balances between the Remaining Group and the Disposal Group. The related balances have been eliminated in the Group's consolidated financial statements and are herein restated to reflect the effects upon the deconsolidation of the Disposal Group for the purpose of preparation of the Unaudited Pro Forma Financial Information.

- (5) The adjustment represents the estimated net gain on the Disposal as if the Disposal had taken place on 30 June 2021 following:

	<i>Notes</i>	<i>RMB'000</i>
Total cash consideration	<i>(i)</i>	6,530,000
Recognition of an interest in an associate	<i>(ii)</i>	76,018
Less: Net assets of the Disposal Group as at 30 June 2021	<i>(iii)</i>	3,208,081
Less: Agreed adjustment of the financing loans and net liabilities	<i>(iv)</i>	2,422,460
Less: Agreed adjustment of the debt-like liability	<i>(v)</i>	190,848
Less: Agreed adjustment of the net working capital	<i>(vi)</i>	38,022
Add: Agreed adjustment of the cash amount	<i>(vii)</i>	54,828
Less: Estimated transaction costs	<i>(viii)</i>	14,746
Add: Agreed adjustment of the waiver on payables and accruals	<i>(ix)</i>	1,600,000
Less: Agreed adjustment of net asset and government grants	<i>(x)</i>	284,469
Less: Agreed adjustment of payables due to related parties	<i>(xi)</i>	303,267
		<hr/>
Estimated gain on the Disposal before taxation		1,798,953
Less: Estimated tax in relation to the estimated gain on the Disposal calculated at the applicable tax rate	<i>(xii)</i>	526,058
		<hr/>
Estimated gain on the Disposal after taxation		<u>1,272,895</u>

- (i) The amount represents the cash consideration of RMB6,530 million for the Disposal.
- (ii) The amount represents the fair value of the 34% equity interest in the Zhengzhou Project Company. The Group has adopted the asset-based approach and made reference to the valuation set out in Appendix IV for the fair value of non-current asset of the Zhengzhou Project Company comprising RMB572 million and RMB298 million to further derive the fair value of net asset amounting to RMB224 million for Zhengzhou Project Company by adding its current assets and deducting its current liabilities and non-current liabilities as at 30 June 2021, and the current assets, current liabilities and non-current liabilities of Zhengzhou Project Company are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
- (iii) The amount of net assets was extracted from the unaudited combined statement of financial position of the Disposal Group as at 30 June 2021 as set out in Appendix II to this circular.
- (iv) The amount is the financing loans of the Dalian Adjustment Entities as at 30 June 2021 with difference of RMB0.21 billion comparing to the Benchmark Figure of RMB2.21 billion as mentioned in the Dalian Adjustment Items (3) (c) of section headed "Letter from the board" to the Circular and 66% amount on the difference between the net liabilities balance of the Zhengzhou Project Company of RMB143.1 million as at 30 June 2021 comparing to the Benchmark Figure of RMB143 million as mentioned in the Zhengzhou Adjustment Items (2) of section headed "Letter from the board" to the Circular. The financing loans of the Dalian Adjustment Entities include interest-bearing bank and other borrowings and interest payables (included in other payables and accruals) of the Four Theme Parks Companies which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this Circular; the net liabilities of the Zhengzhou Project Company include non-current interest-bearing bank and other borrowings and interest payables (included in other payables and accruals) of Zhengzhou Project Company which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular;
- (v) The amount is the debt-like liability of the Dalian Adjustment Entities as at 30 June 2021 with difference of RMB46 million comparing to the Benchmark Figure of RMB145 million as mentioned in the Dalian Adjustment Items (3) (d) of section headed "Letter from the board" to this circular. The debt-like liability of the Four Theme Parks Companies includes certain amount of income tax payable and its late payment surcharge, land appreciation tax payable, construction costs payable (included in trade payables), and social insurance and housing funds payable (included in other payables and accruals) of the Four Theme Parks Companies which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.

- (vi) The amount represents the difference between the net working capital of the Dalian Adjustment Entities of -RMB112 million as at 30 June 2021 comparing to the Benchmark Figure of -RMB5 million as mentioned in the Dalian Adjustment Items (3) (a) of section headed “Letter from the board” to this circular and 66% amount on the difference between the net working capital of the Zhengzhou Project Company of RMB104 million as at 30 June 2021 comparing to the Benchmark Figure of nil as mentioned in the Zhengzhou Adjustment Items (1) of section headed “Letter from the board” to this circular. The net working capital of Dalian Adjustment Entities includes the difference between the operation related current assets and the operation related current liabilities (excluding cash, debts owed to other third parties, debt-like liability and receivables from the Company, its affiliates and any of their related parties as at the Base Date before Dalian Completion), which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
- (vii) The amount represents the difference between the cash amount of the Dalian Adjustment Entities of RMB64.8 million as at 30 June 2021 comparing to the Benchmark Figure of RMB10 million as mentioned in the Dalian Adjustment Items (3) (b) of section headed “Letter from the board” to this circular.
- (viii) The amount represents the estimated transaction costs payable by the Group in relation to the Disposal.
- (ix) The amount represents the payables due to the Disposal Group by the Remaining Group included in other payables and accruals as disclosed in Appendix II that the Group expects to be waived on the completion date as estimated by the Directors with the best effort, comparing to the Benchmark Figure of nil amount.
- (x) The amount represents 66% amount on the difference between net asset of and government subsidies recorded as deferred income by the Zhengzhou Project Company of RMB239 million as at 30 June 2021 comparing to the Benchmark Figure of RMB670 million as mentioned in the Zhengzhou Adjustment Items (4) of section headed “Letter from the board” to this circular. The net asset of Zhengzhou Project Company and its government subsidies recorded as deferred income are included in the combined balances of net asset and government grants of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
- (xi) The amount represents 66% amount on the difference between the payables to related parties by the Zhengzhou Project Company of RMB459 million as at 30 June 2021 comparing to the Benchmark Figure of nil as mentioned in the Zhengzhou Adjustment Items (3) of section headed “Letter from the board” to this circular. The payables to related parties by the Zhengzhou Project Company are included in the combined balances of other payables and accruals of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
- (xii) The estimated tax expense is calculated in accordance with the Law of the PRC on corporate income tax at the applicable tax rate.
- (6) Chengdu Company will dispose of its 9% equity interest in 成都忠捷置業有限公司 (“Chengdu Zhongjie Real Estate Company Limited”) for a consideration of RMB19 million to the Remaining Group. For the purpose of this Unaudited Proforma Financial Information, this equity interest has been stated at fair value as of 30 June 2021 and 31 December 2019, respectively, as if the transaction was completed on those dates.
- (7) The amounts are extracted from the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020 as set out in the published annual report of the Company for the year ended 31 December 2020.
- (8) The adjustments represent profit or loss and other comprehensive income of the Disposal Group for the year ended 31 December 2020, which were extracted from the unaudited combined statement of profit or loss and other comprehensive income of the Disposal Group for the year ended 31 December 2020 as set out in Appendix II to this circular, assuming the Disposal had taken place on 1 January 2020.
- (9) The adjustment represents the Remaining Group’s income/revenue from and expenses charged by the Disposal Group that the transactions have been eliminated in the Group’s consolidated financial statements and are herein restated to reflect the effect upon the deconsolidation of the Disposal Group for the purpose of preparation of the Unaudited Pro Forma Financial Information.

- (10) The adjustment represents the estimated net gain on the Disposal as if the Disposal had taken place on 1 January 2020 following:

	<i>Notes</i>	<i>RMB'000</i>
Total cash consideration	<i>(i)</i>	6,530,000
Recognition of an interest in an associate	<i>(ii)</i>	61,567
Less: Net assets of the Disposal Group as at 1 January 2020	<i>(iii)</i>	3,345,661
Less: Agreed adjustment of the financing loans and net liabilities	<i>(iv)</i>	2,411,562
Less: Agreed adjustment of the debt-like liability	<i>(v)</i>	197,007
Less: Agreed adjustment of the net working capital	<i>(vi)</i>	26,171
Add: Agreed adjustment of the cash amount	<i>(vii)</i>	81,292
Less: Estimated transaction costs	<i>(viii)</i>	14,746
Add: Agreed adjustment of the waiver on payables and accruals	<i>(ix)</i>	1,600,000
Less: Agreed adjustment of net asset and government grants	<i>(x)</i>	317,153
Less: Agreed adjustment of payables due to related parties	<i>(xi)</i>	352,022
		<hr/>
Estimated gain on the Disposal before taxation		1,608,537
Less: Estimated tax in relation to the estimated gain on the Disposal calculated at the applicable tax rate	<i>(xii)</i>	501,284
		<hr/>
Estimated gain on the Disposal after taxation		<u>1,107,253</u>

- (i) The amount represents the cash consideration of RMB6,530 million for the Disposal.
- (ii) The amount represents the fair value of the 34% equity interest in the Zhengzhou Project Company. The Group has adopted the asset-based approach and made reference to the valuation set out in Appendix IV for the fair value of non-current asset of the Zhengzhou Project Company comprising RMB572 million and RMB298 million to further derive the fair value of net asset amounting to RMB181 million for Zhengzhou Project Company by adding its current assets and deducting its current liabilities and non-current liabilities as at 31 December 2019, and the current assets, current liabilities and non-current liabilities of Zhengzhou Project Company are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
- (iii) The amount of net assets was extracted from the unaudited combined statement of financial position of the Disposal Group as at 31 December 2019 as set out in Appendix II to this circular.
- (iv) The amount is financing loans of the Dalian Adjustment Entities as at 31 December 2019 with difference of RMB0.29 billion comparing to the Benchmark Figure of RMB2.21 billion as mentioned in the Dalian Adjustment Items (3) (c) of section headed "Letter from the board" to the Circular and 66% amount on the difference between the net liabilities balance of the Zhengzhou Project Company of RMB6 million as at 31 December 2019 comparing to the Benchmark Figure of RMB143 million as mentioned in the Zhengzhou Adjustment Items (2) of section headed "Letter from the board" to the Circular. The financing loans of the Dalian Adjustment Entities include interest-bearing bank and other borrowings and interest payables (included in other payables and accruals) of the Four Theme Parks Companies which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this Circular; the net liabilities of the Zhengzhou Project Company include non-current interest-bearing bank and other borrowings and interest payables (included in other payables and accruals) of Zhengzhou Project Company which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
- (v) The amount is the debt-like liability of the Dalian Adjustment Entities as at 31 December 2019 with difference of RMB52 million comparing to the Benchmark Figure of RMB145 million as mentioned in the Dalian Adjustment Items (3) (d) of section headed "Letter from the board" to this circular. The debt-like liability of the Dalian Adjustment Entities includes certain amount of income tax payable and its late payment surcharge, land appreciation tax payable, construction costs payable (included in trade

payables), and social insurance and housing funds payable (included in other payables and accruals) of the Four Theme Parks Companies which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.

- (vi) The amount represents the difference between the net working capital of the Dalian Adjustment Entities of -RMB37 million as at 31 December 2019 comparing to the Benchmark Figure of -RMB5 million as mentioned in the Dalian Adjustment Items (3) (a) of section headed “Letter from the board” to this circular and 66% amount on the difference between the net working capital of the Zhengzhou Project Company of RMB8 million as at 31 December 2019 comparing to the Benchmark Figure of nil as mentioned in the Zhengzhou Adjustment Items (1) of section headed “Letter from the board” to this circular. The net working capital of Dalian Adjustment Entities includes the difference between the operation related current assets and the operation related current liabilities (excluding cash, debts owed to other third parties, debt-like liability and receivables from the Company, its affiliates and any of their related parties as at the Base Date before Dalian Completion), which are included in the combined balances of the corresponding accounts of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
  - (vii) The amount represents the difference between the cash amount of the Dalian Adjustment Entities of RMB91.3 million as at 31 December 2019 comparing to the Benchmark Figure of RMB10 million as mentioned in the Dalian Adjustment Items (3) (b) of section headed “Letter from the board” to this circular.
  - (viii) The amount represents the estimated transaction costs payable by the Group in relation to the Disposal.
  - (ix) The amount represents the payables due to the Disposal Group by the Remaining Group included in other payables and accruals as disclosed in Appendix II that the Group expects to be waived on the completion date as estimated by the Directors with the best effort, comparing to the Benchmark Figure of nil amount.
  - (x) The amount represents 66% amount on the difference between the net asset of and government subsidies recorded as deferred income by the Zhengzhou Project Company of RMB189 million as at 31 December 2019 comparing to the Benchmark Figure of RMB670 million as mentioned in the Zhengzhou Adjustment Items (4) of section headed “Letter from the board” to this circular. The net asset of Zhengzhou Project Company and its government subsidies recorded as deferred income are included in the combined balances of net asset and government grants of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
  - (xi) The amount represents 66% amount of the difference between the payables due to related parties by the Zhengzhou Project Company of RMB533 million as at 31 December 2019 comparing to the Benchmark Figure of nil as mentioned in the Zhengzhou Adjustment Items (3) of section headed “Letter from the board” to this circular. The payables to related parties by the Zhengzhou Project Company are included in the combined balances of other payables and accruals of the Disposal Group as set out in Appendix II and are not separately set out in this circular.
  - (xii) The estimated tax expense is calculated in accordance with the Law of the PRC on corporate income tax at the applicable tax rate.
- (11) Pursuant to the terms of the Agreement, Dalian WFOE1 will acquire the entire equity interests in the Four Theme Parks Companies at a consideration of RMB1.15 billion. On the date of the Dalian Completion, the Purchaser shall contribute capital of RMB1.15 billion to Dalian WFOE1, and shall procure Dalian WFOE1 to pay off the payables owed to DLHC. Pursuant to the terms of the Agreement, Dalian WFOE2 will acquire 66% equity interests in Zhengzhou Project Company from ZZHC at a consideration of RMB0.45 billion. On the date of the Zhengzhou Completion, the Purchaser shall contribute capital of RMB0.45 billion to Dalian WFOE2, and shall procure Dalian WFOE2 to pay off the payables owed to ZZHC. The foregoing arrangements will not result in any change in adjustments to the Unaudited Pro Forma Financial Information of the Remaining Group.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE  
REMAINING GROUP

*The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.*



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**To the Directors of Haichang Ocean Park Holdings Ltd.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Haichang Ocean Park Holdings Ltd. (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2021, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2020, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes as set out in Appendix III of the circular dated 22 November 2021 (the “**Circular**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection with the proposed disposal of 100% of the equity interests in 武漢極地海洋世界投資有限公司, 成都極地海洋實業有限公司, 天津極地旅遊有限公司, 青島極地海洋世界有限公司, 海合(大連)文化旅遊開發管理有限公司 and 海博(大連)文化旅遊開發管理有限公司 and 66% of the equity interests in 鄭州海昌海洋公園旅遊發展有限公司 (collectively, the “**Disposal Group**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal on the Group’s financial position as at 30 June 2021 as if the Disposal had taken place at 30 June 2021, and the Group’s financial performance and cash flows for the year ended 31 December 2020 as if the Disposal had taken place at 1 January 2020. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors of the Company from the Group’s financial positions as at 30 June 2021 and the Group’s financial performance and cash flows for the year ended 31 December 2020, on which interim report and annual report have been published, respectively.



**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our independence and quality control**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

### **Ernst & Young**

*Certified Public Accountants*

Hong Kong

22 November 2021

*The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of values of certain property interests of the Company as at 31 August 2021.*



27th Floor  
One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

22 November 2021

The Directors  
Haichang Ocean Park Holdings Limited  
31st Floor, Building A  
Foreshore Beach  
World Trade Centre  
Phase I, No. 4, Lane 255 Dongyu Road  
Pudong New District  
Shanghai, the PRC

Dear Sirs,

#### **INSTRUCTIONS, PURPOSE & VALUATION DATE**

In accordance with your instructions for us to value certain properties in the People's Republic of China (the "PRC") (as more particularly described in the attached valuation report) in which Haichang Ocean Park Holdings Limited (the "Company") together with its subsidiaries (collectively the "Group") have interests, we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such properties as at 31 August 2021 (the "Valuation Date").

#### **BASIS OF VALUATION**

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors is defined as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

**VALUATION BASIS AND ASSUMPTIONS**

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of The Hong Kong Limited and The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors.

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the properties, we have relied on the information and advice given by the Group and the Company's legal advisers, 君合律師事務所 (Junhe LLP), regarding the titles to the properties and the interests of the Group in the properties in the PRC. Unless otherwise stated in the legal opinion, in valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Group are set out in the notes of the respective valuation report.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

**METHOD OF VALUATION**

In valuing the properties in Group I which are completed properties held by the Group for investment in the PRC, we have adopted Investment Method on the basis of capitalisation of rental incomes derived from the existing tenancies with due allowance for reversionary potential of each of the properties at appropriate capitalization rates. Transactions involving similar scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as most properties generate rental income from letting arrangements and such rental comparables are more readily available, we consider Investment Method, which is also commonly used in valuing properties for investment purpose, to be the best method to value these properties. When using Investment Method, we have mainly made reference to lettings within the subject property as well as other relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

In valuing the properties in Groups II and IV which are completed properties held by the Group for sale and for owner occupation respectively in the PRC, we have adopted Market Comparison Method assuming sale of each of these properties in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties. Given that the properties are mostly strata residential units, industrial units, ancillary commercial podium units and car parking spaces, comparable sales transactions and information about such sales are generally available. We have therefore adopted Market Comparison Method which is in line with the market practice.

In valuing the properties in Group III which are completed properties held by the Group for operation in the PRC, due to the specific nature of the properties and lack of sales transactions of the properties of the same characteristics in vicinity, we have mainly adopted the Depreciated Replacement Costs (“**DRC**”) Method. DRC Method is based on an estimate of the market value of the land in its existing use, plus the current cost of replacement of improvements, less allowance for physical deterioration and all relevant forms of obsolescence and optimization. For the land portion, we have generally made reference to comparable land sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, time, size etc. DRC Method is subject to service potential of the entity from the use of assets as a whole paying due regards to the total assets employed. The market value arrived using DRC Method applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

In respect of the property in Group V which is property held by the Group under development in the PRC and is tailor made for the Group’s use with unique building specifications such that relevant sales comparables are difficult to identify, we have therefore used Market Comparison Method assuming sale of the property in its existing state by making reference to comparable land sales transactions as available in the relevant market and have taken into account reasonably incurred land improvement costs and incurred construction costs. There are no identifiable sales or leasing market of such type of properties to facilitate completion value assessment. As such, the valuation method being used comprises land value assessment subject to incurred costs. Therefore, no completion value is provided. However, we have taken into account and disclosed the cost data.

In valuing the properties in Group VI which are properties held by the Group for future development in the PRC, we have mainly used Market Comparison Method assuming sale of each of these properties in its existing state by making reference to comparable land sales transactions as available in the relevant market and have taken into account reasonably incurred land improvement costs, if any. This method is the most appropriate method for valuing land properties.

Civil defence car parking spaces in the PRC are subject to the use by the public at no cost during war times whilst the Group has not obtained Real Estate Ownership Certificates of some non-civil defence car parking spaces. As the Group does not have unfettered rights in the properties, we have ascribed no commercial value for civil defence car parking spaces.

Set out below are the key assumptions used in our valuations:

Market unit price for

- (i) Apartment: RMB8,400 per sq.m. on gross floor area (“GFA”) basis
- (ii) Office: RMB8,700 per sq.m. on GFA basis
- (iii) Commercial (First Floor): RMB13,000 to RMB23,000 per sq.m. on GFA basis
- (iv) Carpark: RMB60,800 to RMB89,600 per lot
- (v) Land: RMB1,500 to RMB4,800 per sq.m. (per GFA)

Market monthly unit rent for

- (i) Commercial (First Floor): RMB64 to RMB126 per sq.m. on GFA basis
- (ii) Apartment: RMB59 per sq.m. on GFA basis
- (iii) Carpark: RMB232 to RMB396 per lot

Capitalisation rate for

- (i) Apartment: 3.75%
- (ii) Commercial: 4.5% to 6.0%
- (iii) Carpark: 3.0% to 5.0%

**MARKET VOLATILITY**

The recent outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property may be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuations of the properties are valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuations when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

**SOURCE OF INFORMATION**

We have been provided by the Group with extracts of documents in relation to the titles to the properties in the PRC. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have not been provided with copies of the title documents relating to the property interests in the PRC.

In the course of our valuation of the properties, we have relied on the information and advice given by the Group and the Company's legal advisers, 君合律師事務所 (Junhe LLP), regarding the title to the properties and the interests of the Group in the properties in the PRC.

In respect of all properties, we have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, pre-sale details, rental incomes and revenue, joint venture agreements, development or redevelopment schemes, development time schedules, construction costs, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

We would point out that the copies of documents of the properties in the PRC provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents.

**TITLE INVESTIGATION**

We have been provided with extracts of documents relating to the titles of the properties in the PRC, but no searches have been made in respect of the properties. We have caused searches to be made at the appropriate land registries in the PRC. However, we have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties and we have therefore relied on the advice given by the Group or the Company's legal advisers regarding the interests of each of the Group in the properties.

**SITE INSPECTION**

We inspected the exterior and, wherever possible, the interior of the properties on between 14 September 2021 and 15 September 2021. However, we have not carried out any investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

**CURRENCY**

Unless otherwise stated, all sums stated in our valuations are in Renminbi ("RMB"), the official currency of the PRC.

We enclose herewith a summary of valuations and valuation report for your attention.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**  
**Grace S.M. Lam**

*MHKIS, MRICS, RPS (GP)*

*Director*

*Valuation & Advisory Services, Greater China*

*Note:* Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 25 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.



## SUMMARY OF VALUATIONS

<b>Property</b>	<b>Market value in existing state as at 31 August 2021 RMB</b>
<b>Group I – Property interests held by the Group for investment in the PRC</b>	
I-1. The portion for investment of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	337,500,000
I-2. The portion for investment of Qingdao Haichang Polar Ocean World, 60 Donghai East Road, Laoshan District, Qingdao, Shandong Province, the PRC	189,200,000
I-3. The portion for investment of Block B, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	302,900,000
I-4. The portion for investment of Block D, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	12,400,000
I-5. The portion for investment of Block E, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	375,100,000
I-6. The portion for investment of Phase 1 of Wuhan Haichang Polar Ocean Park, Jinyintan Avenue, Dongxihu District, Wuhan, Hubei Province, the PRC	304,700,000
<b>Sub-total of Group I:</b>	1,521,800,000

## SUMMARY OF VALUATIONS

<b>Property</b>	<b>Market value in existing state as at 31 August 2021 RMB</b>
<b>Group II – Property interests held by the Group for sale in the PRC</b>	
II-1. The portion for sale of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	8,000,000
II-2. Kara Mansion, Jinyintan Avenue, Dongxihu District, Wuhan, Hubei Province, the PRC	385,000,000
	<hr/>
<b>Sub-total of Group II:</b>	393,000,000

## SUMMARY OF VALUATIONS

<b>Property</b>	<b>Market value in existing state as at 31 August 2021 RMB</b>
<b>Group III – Property interests held by the Group for operation in the PRC</b>	
III-1. The portion for operation of Chengdu Haichang Polar Ocean Park, No. 2039, Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	371,000,000
III-2. The portion for operation of Qingdao Haichang Polar Ocean World, Donghai East Road, Laoshan District, Qingdao, Shandong Province, the PRC	319,000,000
III-3. The portion for operation of Block C, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	513,000,000
III-4. The portion for operation of Phase 1 of Wuhan Haichang Polar Ocean Park, Jinyintan Avenue, Dongxihu District, Wuhan, Hubei Province, the PRC	448,000,000
<b>Sub-total of Group III:</b>	<hr/> 1,651,000,000

## SUMMARY OF VALUATIONS

<b>Property</b>	<b>Market value in existing state as at 31 August 2021 RMB</b>
<b>Group IV – Property interests held by the Group for owner occupation in the PRC</b>	
IV-1. The portion for owner operation of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	68,000,000
IV-2. The portion for owner occupation of Qingdao Haichang Polar Ocean World, No. 56-22 Donghai East Road, Laoshan District Qingdao, Shandong Province, the PRC	9,000,000
IV-3. The portion for owner occupation of Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	16,000,000
<b>Sub-total of Group IV:</b>	<hr/> 93,000,000

## SUMMARY OF VALUATIONS

<b>Property</b>	<b>Market value in existing state as at 31 August 2021 <i>RMB</i></b>
<b>Group V – Property interest held by the Group under development in the PRC</b>	
V-1. Phase 1 of Zhengzhou Haichang Ocean Park, South of Pingan Avenue, East of Wenchang Road, West of Qingsha Street, Zhongmu County, Zhengzhou, Henan Province, the PRC	572,000,000
	<hr/>
<b>Sub-total of Group V:</b>	<b>572,000,000</b>

## SUMMARY OF VALUATIONS

<b>Property</b>	<b>Market value in existing state as at 31 August 2021 RMB</b>
<b>Group VI – Property interests held by the Group for future development in the PRC</b>	
VI-1. Block A, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	237,000,000
VI-2. Phase 2 of Wuhan Haichang Polar Ocean Park, Jinyitan Avenue, Dongxihu District, Wuhan, Hubei Province, the PRC	185,000,000
VI-3. Phase 2 of Zhengzhou Haichang Ocean Park, South of Pingan Avenue, East of Wenchang Road, West of Qingsha Street, Zhongmu County, Zhengzhou, Henan Province, the PRC	298,000,000
<b>Sub-total of Group VI:</b>	720,000,000
<b>Grand-total :</b>	4,950,800,000

## VALUATION REPORT

## Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021										
I-1. The portion for investment of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	<p>The property comprises various commercial units and 364 underground car parks, which completed in 2011. The property has a total gross floor area of 41,941.78 sq.m. with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>30,295.46</td> </tr> <tr> <td>Underground</td> <td>11,646.32</td> </tr> <tr> <td>Carpark</td> <td>(364 units)</td> </tr> <tr> <td><b>Total</b></td> <td><b><u>41,941.78</u></b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq.m.)	Commercial	30,295.46	Underground	11,646.32	Carpark	(364 units)	<b>Total</b>	<b><u>41,941.78</u></b>	<p>As at the Valuation Date, portions of the property with a total GFA of 26,563.74 sq.m. were subject to various tenancies with the latest tenancy due to expire in August 2033 at a total monthly rent of approximately RMB1,266,000 (exclusive of value added tax (“VAT”)), whilst the remainder was vacant.</p>	<p>RMB337,500,000 (RENMINBI THREE HUNDRED THIRTY-SEVEN MILLION AND FIVE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: RMB337,500,000)</p>
Use	Gross Floor Area (sq.m.)												
Commercial	30,295.46												
Underground	11,646.32												
Carpark	(364 units)												
<b>Total</b>	<b><u>41,941.78</u></b>												

The property is situated at Tianfu Avenue where the transportation network is well-developed accessed by multiple metro lines. Developments in the vicinity comprise mainly residential properties.

The land use rights of the property have been granted for a term due to expire on 11 March 2046 for commercial use.

*Notes:*

- (1) According to Certificate for the Use of State-owned Land No. (2007)00046 dated 30 January 2007, the land use rights of the property comprising a total site area of 240,048.93 sq.m., have been granted for a term due to expire on 11 March 2046 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 16 Building Ownership Certificates, the building ownership of the property with a total gross floor area of 80,147.99 sq.m. has been vested in Chengdu Polar Marine Industries Co., Ltd. Details of various certificates are summarised as follows:–

Certificate No.	Location	Building Use	Gross Floor Area (sq.m.)
0376227	No. 2039, South Section of Tianfu Avenue	Commercial	4,891.23
0376225	No. 2039, South Section of Tianfu Avenue	Commercial	11,908.96
0351117	No. 2039-3, South Section of Tianfu Avenue	Commercial	20,726.84
0376215	Building 7, No. 2039, South Section of Tianfu Avenue	Commercial	11,175.42
4389527	Building 9, No. 2039, South Section of Tianfu Avenue	Commercial	2,538.59
4389534	Building 16, No. 2039, South Section of Tianfu Avenue	Commercial	573.36
0006960	Building 18, No. 2039, South Section of Tianfu Avenue	Office	1,097.98
4389533	Building 19, No. 2039, South Section of Tianfu Avenue	Office	1,097.98
4389528	Building 22, No. 2039, South Section of Tianfu Avenue	Office	811.17
4385809	Building 23, No. 2039, South Section of Tianfu Avenue	Office	1,097.98
4385808	Building 24, No. 2039, South Section of Tianfu Avenue	Office	1,097.98
4389530	Building 26, No. 2039, South Section of Tianfu Avenue	Office	286.81
4385807	Building 28, No. 2039, South Section of Tianfu Avenue	Office	573.62
4389529	Building 30, No. 2039, South Section of Tianfu Avenue	Office	1,097.98
4389531	Building 32, No. 2039, South Section of Tianfu Avenue	Office	548.99
1266929	B1, Building 35, No. 2039, South Section of Tianfu Avenue	Carpark	20,623.10
<b>Total</b>			<b><u>80,147.99</u></b>

As advised by the Group, the property is a part of the above certificate record.

- (3) As advised by the Group, the property comprises 364 car parking spaces. As the owner has not fully paid the land premium subject to the underground space, we have ascribed no commercial value. For the Group's management reference, had the relevant proper and unfettered title document been obtained without encumbrances and the land premium been fully settled, the market value of such property (car parking spaces) would be RMB17,600,000 (RENMINBI SEVENTEEN MILLION AND SIX HUNDRED THOUSAND).
- (4) According to Business Licence No. 91510100755955139X, Chengdu Polar Marine Industries Co., Ltd. was established as a limited liability company with a registered capital of RMB130,305,000 for a valid operation period from 18 December 2003 to long term.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificate for the Use of State-owned Land and Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Chengdu Polar Marine Industries Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chengdu Polar Marine Industries Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (6) Xiaoyu Niu, 2 years of experience in the valuation of properties in Beijing and Chengdu, inspected the property on 15 September 2021.



## VALUATION REPORT

## Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
I-2. The portion for investment of Qingdao Haichang Polar Ocean World, 60 Donghai East Road, Laoshan District, Qingdao, Shandong Province, the PRC	<p>The property comprises various commercial units, which completed in 2006. The property has a total gross floor area of 14,799.00 sq.m.</p> <p>The property is situated in a famous National Tourism Resort where the transportation network is well-developed accessed by metro line 2. Developments in the vicinity comprise mainly residential and tourist properties.</p> <p>The land use rights of the property have been granted for terms due to expire on 20 November 2045 for tourism and recreation uses.</p>	As at the Valuation Date, the property was subject to various tenancies with the latest expiry in December 2029 at a total current monthly rent of approximately RMB580,000 (exclusive of VAT).	RMB189,200,000 (RENMINBI ONE HUNDRED EIGHTY-NINE MILLION AND TWO HUNDRED THOUSAND)  (100% interest attributable to the Group: RMB189,200,000)

*Notes:*

- (1) According to Real Estate Title Certificate No. (2010)102759 issued on 30 November 2010, the land used rights of the property comprising a total site area of 117,675.6 sq.m. and the building ownership of the property with a total gross floor area of 39,103.14 sq.m. have been vested in Qingdao Polar Ocean World Co., Ltd.  
  
As advised by the Group, the property is a part of the above certificate record.
- (2) According to Business Licence No. 913702007403858907, Qingdao Polar Ocean World Co., Ltd. was established as a limited liability company with a registered capital of RMB3,461,408,000 for a valid operation period from 26 September 2002 to 26 September 2042.
- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
  - (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Polar Ocean World Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Polar Ocean World Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (4) Chaoxiang Jia, 4 years of experience in the valuation of properties in Qingdao, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021								
I-3. The portion for investment of Block B, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	<p>The property comprises commercial units and 129 underground car parks, which completed in 2013. The property has a total gross floor area of 24,928.56 sq.m. with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>23,251.56</td> </tr> <tr> <td>Underground Carpark</td> <td>1,677.00 (129 units)</td> </tr> <tr> <td><b>Total</b></td> <td><b>24,928.56</b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq.m.)	Commercial	23,251.56	Underground Carpark	1,677.00 (129 units)	<b>Total</b>	<b>24,928.56</b>	<p>As at the Valuation Date, portions of the property with total GFA of 1,645.28 sq.m. were subject to various tenancies with the latest expiry in June 2026 at a total monthly rent of approximately RMB73,000 (exclusive of VAT), whilst the remainder was vacant.</p>	<p>MB302,900,000 (RENMINBI THREE HUNDRED TWO MILLION AND NINE HUNDRED THOUSAND) (100% interest attributable to the Group: RMB302,900,000)</p>
Use	Gross Floor Area (sq.m.)										
Commercial	23,251.56										
Underground Carpark	1,677.00 (129 units)										
<b>Total</b>	<b>24,928.56</b>										

The property is situated in Xiangluo Bay, Binhai New Area, Tianjin, with complete infrastructure. Developments in the vicinity comprise mainly residential and office properties.

The land use rights of the property have been granted for a term due to expire on 21 March 2050 for commercial use.

## Notes:

- (1) According to Real Estate Title Certificate No. 107051100696 dated 26 August 2011, the land use rights of the property comprising a total site area of 185,183.6 sq.m., have been granted for a term due to expire on 21 March 2050 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 52 Real Estate Title Certificates, the title of portion of the property, comprising a gross floor area of 23,251.56 sq.m., has been vested in Tianjin Polar Travel Co., Ltd. Details of various certificates are summarised as follows:—

Block.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
B	1480815000652	3-1	21 January 2015	Commercial	394.60
B	1480815000653	3-2	21 January 2015	Commercial	436.25
B	1480815000646	4-1	21 January 2015	Commercial	456.73
B	1480815000647	4-2	21 January 2015	Commercial	437.56
B	1480815000648	4-3	21 January 2015	Commercial	434.71
B	1480815000649	4-4	21 January 2015	Commercial	552.28
B	1480815000650	4-5	21 January 2015	Commercial	432.58
B	1480815000639	5-1	21 January 2015	Commercial	432.77
B	1480815000640	5-2	21 January 2015	Commercial	568.62
B	1480815000641	5-3	21 January 2015	Commercial	430.36
B	1480815000642	5-4	21 January 2015	Commercial	434.02
B	1480815000643	5-5	21 January 2015	Commercial	473.41
B	1480815000634	6-1	21 January 2015	Commercial	427.75
B	1480815000635	6-2	21 January 2015	Commercial	552.21
B	1480815000636	6-3	21 January 2015	Commercial	434.66
B	1480815000637	6-4	21 January 2015	Commercial	437.50
B	1480815000638	6-5	21 January 2015	Commercial	457.50
B	1480815000627	7-1	21 January 2015	Commercial	473.62
B	1480815000628	7-2	21 January 2015	Commercial	434.21
B	1480815000629	7-3	21 January 2015	Commercial	430.56
B	1480815000630	7-4	21 January 2015	Commercial	568.84
B	1480815000631	7-5	21 January 2015	Commercial	397.47
B	1480815000621	8-1	21 January 2015	Commercial	355.00
B	1480815000622	8-2	21 January 2015	Commercial	330.72
B	1480815000623	8-3	21 January 2015	Commercial	434.68
B	1480815000624	8-4	21 January 2015	Commercial	552.85
B	1480815000625	8-5	21 January 2015	Commercial	435.22
B	1480815000615	9-1	21 January 2015	Commercial	432.76
B	1480815000616	9-2	21 January 2015	Commercial	568.99
B	1480815000617	9-3	21 January 2015	Commercial	430.36
B	1480815000618	9-4	21 January 2015	Commercial	434.02
B	1480815000619	9-5	21 January 2015	Commercial	473.41
B	1480815000610	10-1	21 January 2015	Commercial	425.66
B	1480815000611	10-2	21 January 2015	Commercial	552.33
B	1480815000612	10-3	21 January 2015	Commercial	434.75
B	1480815000613	10-4	21 January 2015	Commercial	437.60
B	1480815000614	10-5	21 January 2015	Commercial	457.63
B	1480815000602	11-1	21 January 2015	Commercial	473.62
B	1480815000603	11-2	21 January 2015	Commercial	434.21
B	1480815000604	11-3	21 January 2015	Commercial	430.56
B	1480815000605	11-4	21 January 2015	Commercial	568.84
B	1480815000606	11-5	21 January 2015	Commercial	397.47
B	1480815000599	12-1	21 January 2015	Commercial	440.13
B	1480815000600	12-2	21 January 2015	Commercial	394.82
B	1480815000596	13-1	21 January 2015	Commercial	420.32
B	1480815000597	13-2	21 January 2015	Commercial	394.11
B	1480815000594	14-1	21 January 2015	Commercial	394.11
B	1480815000595	14-2	21 January 2015	Commercial	420.32
B	1480815000592	15-1	21 January 2015	Commercial	420.32
B	1480815000593	15-2	21 January 2015	Commercial	394.11
B	1480815000590	16-1	21 January 2015	Commercial	394.11
B	1480815000591	16-2	21 January 2015	Commercial	420.32

**Total**

**23,251.56**

- (3) According to a Real Estate Title Certificate, the title of portion of the property, comprising a gross floor area of 23,251.56 sq.m. has been vested in Tianjin Polar Travel Co., Ltd. Details of various certificates are summarised as follows:–

<b>Block.</b>	<b>Certificate No.</b>	<b>Location</b>	<b>Issue Date</b>	<b>Building Use</b>	<b>Gross Floor Area (sq.m.)</b>
B&D	(2016)1007175	-101, Underground Carpark, No. 2-16, No. 17-30	16 December 2016	Underground carpark	17,088.28
<b>Total</b>					<b><u>17,088.28</u></b>

As advised by the Group, the property is a part of the above certificate record.

- (4) As advised by the Group, the property comprises 129 car parking spaces. As the owner has not fully paid the land premium subject to the underground space, we have ascribed no commercial value. For the Group's management reference, had the relevant proper and unfettered title document been obtained without encumbrances and the land premium been fully settled, the market value of such property (car parking spaces) would be RMB9,300,000 (RENMINBI NINE MILLION AND THREE HUNDRED THOUSAND).
- (5) According to Business Licence No. 91120116666115090B, Tianjin Polar Travel Co., Ltd. was established as a limited liability company with a registered capital of RMB203,414,800 for a valid operation period from 24 September 2007 to 23 September 2027.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Polar Travel Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Polar Travel Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (7) Linda Li, 7 years of experience in the valuation of properties in Tianjin, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
I-4. The portion for investment of Block D Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	<p>The property comprises commercial units, which was completed in 2013. The property has a total gross floor area of 814.43 sq.m.</p> <p>The property is situated in Xiangluo Bay, Binhai New Area, Tianjin, with complete infrastructure. Developments in the vicinity comprise mainly are residential and office properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 21 March 2050 for commercial use.</p>	As at the Valuation Date, the property was vacant.	<p>RMB12,400,000 (RENMINBI TWELVE MILLION AND FOUR HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: RMB12,400,000)</p>

## Notes:

- (1) According to Real Estate Title Certificate No. 107051100696 dated 26 August 2011, the land use rights of the property comprising a total site area of 185,183.6 sq.m., have been granted for a term due to expire on 21 March 2050 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 2 Real Estate Title Certificates, the title of portion of the property, comprising a gross floor area of 814.43 sq.m., has been vested in Tianjin Polar Travel Co., Ltd. Details of various certificates are summarised as follows:–

Block.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
D	1480815000527	Retail 29-1	21 January 2015	Commercial	394.11
D	1480815000528	Retail 29-2	21 January 2015	Commercial	420.32
<b>Total</b>					<b>814.43</b>

- (3) According to Business Licence No. 91120116666115090B, Tianjin Polar Travel Co., Ltd. was established as a limited liability company with a registered capital of RMB203,414,800 for a valid operation period from 24 September 2007 to 23 September 2027.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Polar Travel Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Polar Travel Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Linda Li, 7 years of experience in the valuation of properties in Tianjin, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021								
I-5. The portion for investment of Block E Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	<p>The property comprises commercial and apartment units, which completed in between 2014 and 2015. The property has a total gross floor area of 29,571.41 sq.m. with details as follows:.</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>621.65</td> </tr> <tr> <td>Apartment</td> <td>28,949.76</td> </tr> <tr> <td><b>Total</b></td> <td><b>29,571.41</b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq.m.)	Commercial	621.65	Apartment	28,949.76	<b>Total</b>	<b>29,571.41</b>	As at the Valuation Date, the commercial portion of the property was vacant, and the apartment portion of Block E is subject to a lease term of 10 years with the expiry in June 2026 at a total monthly rent of approximately RMB1,573,000 (exclusive of VAT).	<p>RMB375,100,000 (RENMINBI THREE HUNDRED SEVENTY-FIVE MILLION AND ONE HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: RMB375,100,000)</p>
Use	Gross Floor Area (sq.m.)										
Commercial	621.65										
Apartment	28,949.76										
<b>Total</b>	<b>29,571.41</b>										

The property is situated in Xiangluo Bay, Binhai New Area, Tianjin, with complete infrastructure. Developments in the vicinity comprise mainly residential and office properties.

The land use rights of the property have been granted for a term due to expire on 21 March 2050 for commercial use.

*Notes:*

- (1) According to Real Estate Title Certificate No. 107051100696 dated 26 August 2011, the land use rights of the property comprising a total site area of 185,183.6 sq.m., have been granted for a term due to expire on 21 March 2050 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 2 Real Estate Title Certificates, the title of portion of the property, comprising a gross floor area of 621.65 sq.m. has been vested in Tianjin Polar Travel Co., Ltd. Details of various certificates are summarised as follows:–

Block.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	1480815003908	E-32-7	2 July 2015	Commercial	303.68
E	1480815003914	E-32-13	2 July 2015	Commercial	317.97
<b>Total</b>					<b>621.65</b>

- (3) According to 493 Real Estate Title Certificates, the title of portion of the property, comprising a gross floor area of 28,949.76 sq.m. has been vested in Tianjin Polar Travel Co., Ltd. Details of various certificates are summarised as follows:–

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001700	33-8-301	7 March 2018	Apartment	78.54
E	20181001701	33-8-302	7 March 2018	Apartment	72.87
E	20181001702	33-8-303	7 March 2018	Apartment	72.87
E	20181001703	33-8-304	7 March 2018	Apartment	78.54
E	20181001704	33-8-305	7 March 2018	Apartment	59.19
E	20181001705	33-8-306	7 March 2018	Apartment	54.72
E	20181001706	33-8-307	7 March 2018	Apartment	59.02
E	20181001707	33-8-308	7 March 2018	Apartment	60.05
E	20181001708	33-8-309	7 March 2018	Apartment	60.05
E	20181001709	33-8-310	7 March 2018	Apartment	59.02
E	20181001710	33-8-311	7 March 2018	Apartment	54.72
E	20181001711	33-8-312	7 March 2018	Apartment	59.19
E	20181001712	33-8-313	7 March 2018	Apartment	78.54
E	20181001713	33-8-314	7 March 2018	Apartment	72.87
E	20181001714	33-8-315	7 March 2018	Apartment	72.87
E	20181001715	33-8-316	7 March 2018	Apartment	78.54
E	20181001716	33-8-317	7 March 2018	Apartment	59.19
E	20181001717	33-8-318	7 March 2018	Apartment	54.72
E	20181001718	33-8-319	7 March 2018	Apartment	59.02
E	20181001748	33-8-320	7 March 2018	Apartment	60.05
E	20181001749	33-8-321	7 March 2018	Apartment	60.05
E	20181001750	33-8-322	7 March 2018	Apartment	59.02
E	20181001751	33-8-323	7 March 2018	Apartment	54.72
E	20181001752	33-8-324	7 March 2018	Apartment	59.19
E	20181001753	33-8-401	7 March 2018	Apartment	78.54
E	20181001754	33-8-402	7 March 2018	Apartment	72.87
E	20181001755	33-8-403	7 March 2018	Apartment	72.87
E	20181001756	33-8-404	7 March 2018	Apartment	78.54
E	20181001757	33-8-405	7 March 2018	Apartment	59.19
E	20181001758	33-8-406	7 March 2018	Apartment	54.72
E	20181001759	33-8-407	7 March 2018	Apartment	59.02
E	20181001760	33-8-408	7 March 2018	Apartment	60.05
E	20181001361	33-8-409	7 March 2018	Apartment	60.05
E	20181001362	33-8-410	7 March 2018	Apartment	59.02
E	20181001363	33-8-411	7 March 2018	Apartment	54.72
E	20181001387	33-8-412	7 March 2018	Apartment	59.19
E	20181001388	33-8-413	7 March 2018	Apartment	78.54
E	20181001389	33-8-414	7 March 2018	Apartment	72.87
E	20181001390	33-8-415	7 March 2018	Apartment	72.87
E	20181001391	33-8-416	7 March 2018	Apartment	78.54
E	20181001392	33-8-417	7 March 2018	Apartment	59.19
E	20181001393	33-8-418	7 March 2018	Apartment	54.72
E	20181001394	33-8-419	7 March 2018	Apartment	59.02
E	20181001395	33-8-420	7 March 2018	Apartment	60.05
E	20181001396	33-8-421	7 March 2018	Apartment	60.05
E	20181001397	33-8-422	7 March 2018	Apartment	59.02
E	20181001398	33-8-423	7 March 2018	Apartment	54.72
E	20181001405	33-8-424	7 March 2018	Apartment	59.19
E	20181001406	33-8-501	7 March 2018	Apartment	78.54
E	20181001407	33-8-502	7 March 2018	Apartment	72.87
E	20181001408	33-8-503	7 March 2018	Apartment	72.87
E	20181001409	33-8-504	7 March 2018	Apartment	78.54



No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001410	33-8-505	7 March 2018	Apartment	59.19
E	20181001411	33-8-506	7 March 2018	Apartment	54.72
E	20181001412	33-8-507	7 March 2018	Apartment	59.02
E	20181001413	33-8-508	7 March 2018	Apartment	60.05
E	20181001414	33-8-509	7 March 2018	Apartment	60.05
E	20181001415	33-8-510	7 March 2018	Apartment	59.02
E	20181001416	33-8-511	7 March 2018	Apartment	54.72
E	20181001417	33-8-512	7 March 2018	Apartment	59.19
E	20181001418	33-8-513	7 March 2018	Apartment	78.54
E	20181001419	33-8-514	7 March 2018	Apartment	72.87
E	20181001420	33-8-515	7 March 2018	Apartment	72.87
E	20181001421	33-8-516	7 March 2018	Apartment	78.54
E	20181001422	33-8-517	7 March 2018	Apartment	59.19
E	20181001431	33-8-518	7 March 2018	Apartment	54.72
E	20181001432	33-8-519	7 March 2018	Apartment	59.02
E	20181001450	33-8-520	7 March 2018	Apartment	60.05
E	20181001451	33-8-521	7 March 2018	Apartment	60.05
E	20181001452	33-8-522	7 March 2018	Apartment	59.02
E	20181001453	33-8-523	7 March 2018	Apartment	54.72
E	20181001454	33-8-524	7 March 2018	Apartment	59.19
E	20181001455	33-8-601	7 March 2018	Apartment	78.54
E	20181001456	33-8-602	7 March 2018	Apartment	72.87
E	20181001457	33-8-603	7 March 2018	Apartment	72.87
E	20181001458	33-8-604	7 March 2018	Apartment	78.54
E	20181001459	33-8-605	7 March 2018	Apartment	59.19
E	20181001460	33-8-606	7 March 2018	Apartment	54.72
E	20181001461	33-8-607	7 March 2018	Apartment	59.02
E	20181001462	33-8-608	7 March 2018	Apartment	60.05
E	20181001463	33-8-609	7 March 2018	Apartment	60.05
E	20181001464	33-8-610	7 March 2018	Apartment	59.02
E	20181001465	33-8-611	7 March 2018	Apartment	54.72
E	20181001466	33-8-612	7 March 2018	Apartment	59.19
E	20181001467	33-8-613	7 March 2018	Apartment	78.54
E	20181001468	33-8-614	7 March 2018	Apartment	72.87
E	20181001469	33-8-615	7 March 2018	Apartment	72.87
E	20181001470	33-8-616	7 March 2018	Apartment	78.54
E	20181001471	33-8-617	7 March 2018	Apartment	59.19
E	20181001472	33-8-618	7 March 2018	Apartment	54.72
E	20181001473	33-8-619	7 March 2018	Apartment	59.02
E	20181001474	33-8-620	7 March 2018	Apartment	60.05
E	20181001475	33-8-621	7 March 2018	Apartment	60.05
E	20181001476	33-8-622	7 March 2018	Apartment	59.02
E	20181001477	33-8-623	7 March 2018	Apartment	54.72
E	20181001478	33-8-624	7 March 2018	Apartment	59.19
E	20181001479	33-8-701	7 March 2018	Apartment	60.99
E	20181001480	33-8-702	7 March 2018	Apartment	54.92
E	20181001481	33-8-703	7 March 2018	Apartment	54.92
E	20181001482	33-8-704	7 March 2018	Apartment	60.99
E	20181001483	33-8-705	7 March 2018	Apartment	54.72
E	20181001484	33-8-706	7 March 2018	Apartment	59.02
E	20181001485	33-8-707	7 March 2018	Apartment	60.05
E	20181001486	33-8-708	7 March 2018	Apartment	60.05
E	20181001487	33-8-709	7 March 2018	Apartment	59.02
E	20181001488	33-8-710	7 March 2018	Apartment	54.72
E	20181001489	33-8-711	7 March 2018	Apartment	60.99
E	20181001490	33-8-712	7 March 2018	Apartment	53.33

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001491	33-8-713	7 March 2018	Apartment	53.33
E	20181001492	33-8-714	7 March 2018	Apartment	60.99
E	20181001493	33-8-715	7 March 2018	Apartment	54.72
E	20181001494	33-8-716	7 March 2018	Apartment	59.02
E	20181001495	33-8-717	7 March 2018	Apartment	60.05
E	20181001496	33-8-718	7 March 2018	Apartment	60.05
E	20181001498	33-8-720	7 March 2018	Apartment	54.72
E	20181001499	33-8-801	7 March 2018	Apartment	61.22
E	20181001500	33-8-802	7 March 2018	Apartment	53.11
E	20181001501	33-8-803	7 March 2018	Apartment	53.11
E	20181001502	33-8-804	7 March 2018	Apartment	61.22
E	20181001503	33-8-805	7 March 2018	Apartment	54.95
E	20181001504	33-8-806	7 March 2018	Apartment	59.02
E	20181001505	33-8-807	7 March 2018	Apartment	60.21
E	20181001506	33-8-808	7 March 2018	Apartment	60.21
E	20181001507	33-8-809	7 March 2018	Apartment	59.02
E	20181001357	33-8-810	7 March 2018	Apartment	54.95
E	20181001358	33-8-811	7 March 2018	Apartment	61.22
E	20181001359	33-8-812	7 March 2018	Apartment	51.54
E	20181001360	33-8-813	7 March 2018	Apartment	51.54
E	20181001248	33-8-814	7 March 2018	Apartment	61.22
E	20181001249	33-8-815	7 March 2018	Apartment	54.95
E	20181001250	33-8-816	7 March 2018	Apartment	59.02
E	20181001251	33-8-817	7 March 2018	Apartment	60.21
E	20181001252	33-8-818	7 March 2018	Apartment	60.21
E	20181001253	33-8-819	7 March 2018	Apartment	59.02
E	20181001254	33-8-820	7 March 2018	Apartment	54.95
E	20181001255	33-8-901	7 March 2018	Apartment	61.22
E	20181001256	33-8-902	7 March 2018	Apartment	53.11
E	20181001257	33-8-903	7 March 2018	Apartment	53.11
E	20181001258	33-8-904	7 March 2018	Apartment	61.22
E	20181001259	33-8-905	7 March 2018	Apartment	54.95
E	20181001260	33-8-906	7 March 2018	Apartment	59.02
E	20181001261	33-8-907	7 March 2018	Apartment	60.21
E	20181001262	33-8-908	7 March 2018	Apartment	60.21
E	20181001263	33-8-909	7 March 2018	Apartment	59.02
E	20181001264	33-8-910	7 March 2018	Apartment	54.95
E	20181001265	33-8-911	7 March 2018	Apartment	61.22
E	20181001266	33-8-912	7 March 2018	Apartment	51.54
E	20181001267	33-8-913	7 March 2018	Apartment	51.54
E	20181001268	33-8-914	7 March 2018	Apartment	61.22
E	20181001269	33-8-915	7 March 2018	Apartment	54.95
E	20181001270	33-8-916	7 March 2018	Apartment	59.02
E	20181001271	33-8-917	7 March 2018	Apartment	60.21
E	20181001272	33-8-918	7 March 2018	Apartment	60.21
E	20181001273	33-8-919	7 March 2018	Apartment	59.02
E	20181001274	33-8-920	7 March 2018	Apartment	54.95
E	20181001275	33-8-1001	7 March 2018	Apartment	61.22
E	20181001276	33-8-1002	7 March 2018	Apartment	53.11
E	20181001277	33-8-1003	7 March 2018	Apartment	53.11
E	20181001278	33-8-1004	7 March 2018	Apartment	61.22
E	20181001279	33-8-1005	7 March 2018	Apartment	54.95
E	20181001280	33-8-1006	7 March 2018	Apartment	59.02
E	20181001281	33-8-1007	7 March 2018	Apartment	60.21
E	20181001282	33-8-1008	7 March 2018	Apartment	60.21
E	20181001283	33-8-1009	7 March 2018	Apartment	59.02

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001284	33-8-1010	7 March 2018	Apartment	54.95
E	20181001285	33-8-1011	7 March 2018	Apartment	61.22
E	20181001286	33-8-1012	7 March 2018	Apartment	51.54
E	20181001287	33-8-1013	7 March 2018	Apartment	51.54
E	20181001288	33-8-1014	7 March 2018	Apartment	61.22
E	20181001289	33-8-1015	7 March 2018	Apartment	54.95
E	20181001290	33-8-1016	7 March 2018	Apartment	59.02
E	20181001291	33-8-1017	7 March 2018	Apartment	60.21
E	20181001292	33-8-1018	7 March 2018	Apartment	60.21
E	20181001293	33-8-1019	7 March 2018	Apartment	59.02
E	20181001294	33-8-1020	7 March 2018	Apartment	54.95
E	20181001295	33-8-1101	7 March 2018	Apartment	61.22
E	20181001296	33-8-1102	7 March 2018	Apartment	53.11
E	20181001297	33-8-1103	7 March 2018	Apartment	53.11
E	20181001298	33-8-1104	7 March 2018	Apartment	61.22
E	20181001299	33-8-1105	7 March 2018	Apartment	54.95
E	20181001300	33-8-1106	7 March 2018	Apartment	59.02
E	20181001326	33-8-1107	7 March 2018	Apartment	60.21
E	20181001327	33-8-1108	7 March 2018	Apartment	60.21
E	20181001328	33-8-1109	7 March 2018	Apartment	59.02
E	20181001329	33-8-1110	7 March 2018	Apartment	54.95
E	20181001330	33-8-1111	7 March 2018	Apartment	61.22
E	20181001331	33-8-1112	7 March 2018	Apartment	51.54
E	20181001332	33-8-1113	7 March 2018	Apartment	51.54
E	20181001333	33-8-1114	7 March 2018	Apartment	61.22
E	20181001334	33-8-1115	7 March 2018	Apartment	54.95
E	20181001335	33-8-1116	7 March 2018	Apartment	59.02
E	20181001336	33-8-1117	7 March 2018	Apartment	60.21
E	20181001337	33-8-1118	7 March 2018	Apartment	60.21
E	20181001338	33-8-1119	7 March 2018	Apartment	59.02
E	20181001339	33-8-1120	7 March 2018	Apartment	54.95
E	20181001340	33-8-1201	7 March 2018	Apartment	61.22
E	20181001341	33-8-1202	7 March 2018	Apartment	53.11
E	20181001342	33-8-1203	7 March 2018	Apartment	53.11
E	20181001343	33-8-1204	7 March 2018	Apartment	61.22
E	20181001344	33-8-1205	7 March 2018	Apartment	54.95
E	20181001345	33-8-1206	7 March 2018	Apartment	59.02
E	20181001346	33-8-1207	7 March 2018	Apartment	60.21
E	20181001347	33-8-1208	7 March 2018	Apartment	60.21
E	20181001348	33-8-1209	7 March 2018	Apartment	59.02
E	20181001349	33-8-1210	7 March 2018	Apartment	54.95
E	20181001350	33-8-1211	7 March 2018	Apartment	61.22
E	20181001351	33-8-1212	7 March 2018	Apartment	51.54
E	20181001352	33-8-1213	7 March 2018	Apartment	51.54
E	20181001353	33-8-1214	7 March 2018	Apartment	61.22
E	20181001354	33-8-1215	7 March 2018	Apartment	54.95
E	20181001355	33-8-1216	7 March 2018	Apartment	59.02
E	20181001356	33-8-1217	7 March 2018	Apartment	60.21
E	20181001301	33-8-1218	7 March 2018	Apartment	60.21
E	20181001302	33-8-1219	7 March 2018	Apartment	59.02
E	20181001303	33-8-1220	7 March 2018	Apartment	54.95
E	20181001304	33-8-1301	7 March 2018	Apartment	61.22
E	20181001305	33-8-1302	7 March 2018	Apartment	53.11
E	20181001306	33-8-1303	7 March 2018	Apartment	53.11
E	20181001307	33-8-1304	7 March 2018	Apartment	61.22
E	20181001308	33-8-1305	7 March 2018	Apartment	54.95

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001309	33-8-1306	7 March 2018	Apartment	59.02
E	20181001310	33-8-1307	7 March 2018	Apartment	60.21
E	20181001311	33-8-1308	7 March 2018	Apartment	60.21
E	20181001312	33-8-1309	7 March 2018	Apartment	59.02
E	20181001313	33-8-1310	7 March 2018	Apartment	54.95
E	20181001314	33-8-1311	7 March 2018	Apartment	61.22
E	20181001315	33-8-1312	7 March 2018	Apartment	51.54
E	20181001316	33-8-1313	7 March 2018	Apartment	51.54
E	20181001317	33-8-1314	7 March 2018	Apartment	61.22
E	20181001318	33-8-1315	7 March 2018	Apartment	54.95
E	20181001319	33-8-1316	7 March 2018	Apartment	59.02
E	20181001320	33-8-1317	7 March 2018	Apartment	60.21
E	20181001321	33-8-1318	7 March 2018	Apartment	54.95
E	20181001322	33-8-1401	7 March 2018	Apartment	61.22
E	20181001323	33-8-1402	7 March 2018	Apartment	53.11
E	20181001324	33-8-1403	7 March 2018	Apartment	53.11
E	20181001325	33-8-1404	7 March 2018	Apartment	61.22
E	20181001508	33-8-1405	7 March 2018	Apartment	54.95
E	20181001509	33-8-1406	7 March 2018	Apartment	59.02
E	20181001510	33-8-1407	7 March 2018	Apartment	60.21
E	20181001511	33-8-1408	7 March 2018	Apartment	60.21
E	20181001512	33-8-1409	7 March 2018	Apartment	59.02
E	20181001513	33-8-1410	7 March 2018	Apartment	54.95
E	20181001514	33-8-1411	7 March 2018	Apartment	61.22
E	20181001515	33-8-1412	7 March 2018	Apartment	51.54
E	20181001516	33-8-1413	7 March 2018	Apartment	51.54
E	20181001517	33-8-1414	7 March 2018	Apartment	61.22
E	20181001518	33-8-1415	7 March 2018	Apartment	54.95
E	20181001519	33-8-1416	7 March 2018	Apartment	59.02
E	20181001520	33-8-1417	7 March 2018	Apartment	60.21
E	20181001521	33-8-1418	7 March 2018	Apartment	60.21
E	20181001522	33-8-1419	7 March 2018	Apartment	59.02
E	20181001523	33-8-1420	7 March 2018	Apartment	54.95
E	20181001524	33-8-1501	7 March 2018	Apartment	60.99
E	20181001525	33-8-1502	7 March 2018	Apartment	53.11
E	20181001526	33-8-1503	7 March 2018	Apartment	53.11
E	20181001527	33-8-1504	7 March 2018	Apartment	60.99
E	20181001528	33-8-1505	7 March 2018	Apartment	54.72
E	20181001529	33-8-1506	7 March 2018	Apartment	59.02
E	20181001530	33-8-1507	7 March 2018	Apartment	60.21
E	20181001531	33-8-1508	7 March 2018	Apartment	60.21
E	20181001532	33-8-1509	7 March 2018	Apartment	59.02
E	20181001533	33-8-1510	7 March 2018	Apartment	54.72
E	20181001534	33-8-1511	7 March 2018	Apartment	60.99
E	20181001535	33-8-1512	7 March 2018	Apartment	51.54
E	20181001536	33-8-1513	7 March 2018	Apartment	51.54
E	20181001537	33-8-1514	7 March 2018	Apartment	60.99
E	20181001538	33-8-1515	7 March 2018	Apartment	54.72
E	20181001539	33-8-1516	7 March 2018	Apartment	59.02
E	20181001540	33-8-1517	7 March 2018	Apartment	60.21
E	20181001541	33-8-1518	7 March 2018	Apartment	60.21
E	20181001542	33-8-1519	7 March 2018	Apartment	59.02
E	20181001543	33-8-1520	7 March 2018	Apartment	54.72
E	20181001544	33-8-1601	7 March 2018	Apartment	60.99
E	20181001545	33-8-1602	7 March 2018	Apartment	53.11
E	20181001546	33-8-1603	7 March 2018	Apartment	53.11

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001547	33-8-1604	7 March 2018	Apartment	60.99
E	20181001548	33-8-1605	7 March 2018	Apartment	54.72
E	20181001549	33-8-1606	7 March 2018	Apartment	59.02
E	20181001550	33-8-1607	7 March 2018	Apartment	60.21
E	20181001551	33-8-1608	7 March 2018	Apartment	60.21
E	20181001552	33-8-1609	7 March 2018	Apartment	59.02
E	20181001553	33-8-1610	7 March 2018	Apartment	54.72
E	20181001554	33-8-1611	7 March 2018	Apartment	60.99
E	20181001555	33-8-1612	7 March 2018	Apartment	51.54
E	20181001556	33-8-1613	7 March 2018	Apartment	51.54
E	20181001557	33-8-1614	7 March 2018	Apartment	60.99
E	20181001558	33-8-1615	7 March 2018	Apartment	54.72
E	20181001559	33-8-1616	7 March 2018	Apartment	59.02
E	20181001560	33-8-1617	7 March 2018	Apartment	60.21
E	20181001561	33-8-1618	7 March 2018	Apartment	60.21
E	20181001562	33-8-1619	7 March 2018	Apartment	59.02
E	20181001563	33-8-1620	7 March 2018	Apartment	54.72
E	20181001564	33-8-1701	7 March 2018	Apartment	60.99
E	20181001565	33-8-1702	7 March 2018	Apartment	53.11
E	20181001566	33-8-1703	7 March 2018	Apartment	53.11
E	20181001567	33-8-1704	7 March 2018	Apartment	60.99
E	20181001568	33-8-1705	7 March 2018	Apartment	54.72
E	20181001569	33-8-1706	7 March 2018	Apartment	59.02
E	20181001570	33-8-1707	7 March 2018	Apartment	60.21
E	20181001571	33-8-1708	7 March 2018	Apartment	60.21
E	20181001572	33-8-1709	7 March 2018	Apartment	59.02
E	20181001573	33-8-1710	7 March 2018	Apartment	54.72
E	20181001574	33-8-1711	7 March 2018	Apartment	60.99
E	20181001575	33-8-1712	7 March 2018	Apartment	51.54
E	20181001576	33-8-1713	7 March 2018	Apartment	51.54
E	20181001577	33-8-1714	7 March 2018	Apartment	60.99
E	20181001578	33-8-1715	7 March 2018	Apartment	54.72
E	20181001579	33-8-1716	7 March 2018	Apartment	59.02
E	20181001580	33-8-1717	7 March 2018	Apartment	60.21
E	20181001581	33-8-1718	7 March 2018	Apartment	60.21
E	20181001582	33-8-1719	7 March 2018	Apartment	59.02
E	20181001583	33-8-1720	7 March 2018	Apartment	54.72
E	20181001584	33-8-1801	7 March 2018	Apartment	60.99
E	20181001585	33-8-1802	7 March 2018	Apartment	53.11
E	20181001586	33-8-1803	7 March 2018	Apartment	53.11
E	20181001587	33-8-1804	7 March 2018	Apartment	60.99
E	20181001588	33-8-1805	7 March 2018	Apartment	54.72
E	20181001589	33-8-1806	7 March 2018	Apartment	59.02
E	20181001590	33-8-1807	7 March 2018	Apartment	60.21
E	20181001591	33-8-1808	7 March 2018	Apartment	60.21
E	20181001592	33-8-1809	7 March 2018	Apartment	59.02
E	20181001593	33-8-1810	7 March 2018	Apartment	54.72
E	20181001594	33-8-1811	7 March 2018	Apartment	60.99
E	20181001595	33-8-1812	7 March 2018	Apartment	51.54
E	20181001596	33-8-1813	7 March 2018	Apartment	51.54
E	20181001597	33-8-1814	7 March 2018	Apartment	60.99
E	20181001598	33-8-1815	7 March 2018	Apartment	54.72
E	20181001599	33-8-1816	7 March 2018	Apartment	59.02
E	20181001600	33-8-1817	7 March 2018	Apartment	60.21
E	20181001601	33-8-1818	7 March 2018	Apartment	60.21
E	20181001602	33-8-1819	7 March 2018	Apartment	59.02

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001603	33-8-1820	7 March 2018	Apartment	54.72
E	20181001604	33-8-1901	7 March 2018	Apartment	60.99
E	20181001605	33-8-1902	7 March 2018	Apartment	53.11
E	20181001606	33-8-1903	7 March 2018	Apartment	53.11
E	20181001607	33-8-1904	7 March 2018	Apartment	60.99
E	20181001608	33-8-1905	7 March 2018	Apartment	54.72
E	20181001609	33-8-1906	7 March 2018	Apartment	59.02
E	20181001610	33-8-1907	7 March 2018	Apartment	60.21
E	20181001611	33-8-1908	7 March 2018	Apartment	60.21
E	20181001612	33-8-1909	7 March 2018	Apartment	59.02
E	20181001613	33-8-1910	7 March 2018	Apartment	54.72
E	20181001614	33-8-1911	7 March 2018	Apartment	60.99
E	20181001615	33-8-1912	7 March 2018	Apartment	51.54
E	20181001616	33-8-1913	7 March 2018	Apartment	51.54
E	20181001617	33-8-1914	7 March 2018	Apartment	60.99
E	20181001618	33-8-1915	7 March 2018	Apartment	54.72
E	20181001619	33-8-1916	7 March 2018	Apartment	59.02
E	20181001620	33-8-1917	7 March 2018	Apartment	60.21
E	20181001621	33-8-1918	7 March 2018	Apartment	60.21
E	20181001622	33-8-1919	7 March 2018	Apartment	59.02
E	20181001623	33-8-1920	7 March 2018	Apartment	54.72
E	20181001624	33-8-2001	7 March 2018	Apartment	60.99
E	20181001625	33-8-2002	7 March 2018	Apartment	53.11
E	20181001626	33-8-2003	7 March 2018	Apartment	53.11
E	20181001627	33-8-2004	7 March 2018	Apartment	60.99
E	20181001628	33-8-2005	7 March 2018	Apartment	54.72
E	20181001629	33-8-2006	7 March 2018	Apartment	59.02
E	20181001630	33-8-2007	7 March 2018	Apartment	60.21
E	20181001631	33-8-2008	7 March 2018	Apartment	60.21
E	20181001632	33-8-2009	7 March 2018	Apartment	59.02
E	20181001633	33-8-2010	7 March 2018	Apartment	54.72
E	20181001634	33-8-2011	7 March 2018	Apartment	60.99
E	20181001635	33-8-2012	7 March 2018	Apartment	51.54
E	20181001636	33-8-2013	7 March 2018	Apartment	51.54
E	20181001637	33-8-2014	7 March 2018	Apartment	60.99
E	20181001638	33-8-2015	7 March 2018	Apartment	54.72
E	20181001639	33-8-2016	7 March 2018	Apartment	59.02
E	20181001640	33-8-2017	7 March 2018	Apartment	60.21
E	20181001641	33-8-2018	7 March 2018	Apartment	60.21
E	20181001642	33-8-2019	7 March 2018	Apartment	59.02
E	20181001643	33-8-2020	7 March 2018	Apartment	54.72
E	20181001644	33-8-2101	7 March 2018	Apartment	60.99
E	20181001645	33-8-2102	7 March 2018	Apartment	53.11
E	20181001646	33-8-2103	7 March 2018	Apartment	53.11
E	20181001647	33-8-2104	7 March 2018	Apartment	60.99
E	20181001648	33-8-2105	7 March 2018	Apartment	54.72
E	20181001649	33-8-2106	7 March 2018	Apartment	59.02
E	20181001650	33-8-2107	7 March 2018	Apartment	60.21
E	20181001651	33-8-2108	7 March 2018	Apartment	60.21
E	20181001652	33-8-2109	7 March 2018	Apartment	59.02
E	20181001660	33-8-2110	7 March 2018	Apartment	54.72
E	20181001661	33-8-2111	7 March 2018	Apartment	60.99
E	20181001662	33-8-2112	7 March 2018	Apartment	51.54
E	20181001663	33-8-2113	7 March 2018	Apartment	51.54
E	20181001664	33-8-2114	7 March 2018	Apartment	60.99
E	20181001665	33-8-2115	7 March 2018	Apartment	54.72

No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001666	33-8-2116	7 March 2018	Apartment	59.02
E	20181001667	33-8-2117	7 March 2018	Apartment	60.21
E	20181001668	33-8-2118	7 March 2018	Apartment	60.21
E	20181001669	33-8-2119	7 March 2018	Apartment	59.02
E	20181001677	33-8-2120	7 March 2018	Apartment	54.72
E	20181001678	33-8-2201	7 March 2018	Apartment	60.99
E	20181001679	33-8-2202	7 March 2018	Apartment	53.11
E	20181001680	33-8-2203	7 March 2018	Apartment	53.11
E	20181001681	33-8-2204	7 March 2018	Apartment	60.99
E	20181001682	33-8-2205	7 March 2018	Apartment	54.72
E	20181001683	33-8-2206	7 March 2018	Apartment	59.02
E	20181001684	33-8-2207	7 March 2018	Apartment	60.21
E	20181001685	33-8-2208	7 March 2018	Apartment	60.21
E	20181001686	33-8-2209	7 March 2018	Apartment	59.02
E	20181001687	33-8-2210	7 March 2018	Apartment	54.72
E	20181001688	33-8-2211	7 March 2018	Apartment	60.99
E	20181001689	33-8-2212	7 March 2018	Apartment	51.54
E	20181001690	33-8-2213	7 March 2018	Apartment	51.54
E	20181001691	33-8-2214	7 March 2018	Apartment	60.99
E	20181001692	33-8-2215	7 March 2018	Apartment	54.72
E	20181001693	33-8-2216	7 March 2018	Apartment	59.02
E	20181001694	33-8-2217	7 March 2018	Apartment	60.21
E	20181001695	33-8-2218	7 March 2018	Apartment	60.21
E	20181001719	33-8-2219	7 March 2018	Apartment	59.02
E	20181001720	33-8-2220	7 March 2018	Apartment	54.72
E	20181001721	33-8-2301	7 March 2018	Apartment	60.99
E	20181001722	33-8-2302	7 March 2018	Apartment	53.11
E	20181001723	33-8-2303	7 March 2018	Apartment	53.11
E	20181001724	33-8-2304	7 March 2018	Apartment	60.99
E	20181001725	33-8-2305	7 March 2018	Apartment	54.72
E	20181001726	33-8-2306	7 March 2018	Apartment	59.02
E	20181001727	33-8-2307	7 March 2018	Apartment	60.21
E	20181001728	33-8-2308	7 March 2018	Apartment	60.21
E	20181001729	33-8-2309	7 March 2018	Apartment	59.02
E	20181001730	33-8-2310	7 March 2018	Apartment	54.72
E	20181001731	33-8-2311	7 March 2018	Apartment	60.99
E	20181001732	33-8-2312	7 March 2018	Apartment	51.54
E	20181001733	33-8-2313	7 March 2018	Apartment	51.54
E	20181001734	33-8-2314	7 March 2018	Apartment	60.99
E	20181001735	33-8-2315	7 March 2018	Apartment	54.72
E	20181001736	33-8-2316	7 March 2018	Apartment	59.02
E	20181001737	33-8-2317	7 March 2018	Apartment	60.21
E	20181001738	33-8-2318	7 March 2018	Apartment	60.21
E	20181001739	33-8-2319	7 March 2018	Apartment	59.02
E	20181001740	33-8-2320	7 March 2018	Apartment	54.72
E	20181001741	33-8-2401	7 March 2018	Apartment	45.47
E	20181001742	33-8-2402	7 March 2018	Apartment	52.96
E	20181001743	33-8-2403	7 March 2018	Apartment	52.96
E	20181001744	33-8-2404	7 March 2018	Apartment	45.47
E	20181001745	33-8-2405	7 March 2018	Apartment	68.58
E	20181001746	33-8-2406	7 March 2018	Apartment	59.94
E	20181001747	33-8-2407	7 March 2018	Apartment	59.94
E	20181001364	33-8-2408	7 March 2018	Apartment	68.58
E	20181001365	33-8-2409	7 March 2018	Apartment	45.47
E	20181001366	33-8-2410	7 March 2018	Apartment	51.31
E	20181001367	33-8-2411	7 March 2018	Apartment	51.37



No.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
E	20181001368	33-8-2412	7 March 2018	Apartment	45.47
E	20181001369	33-8-2413	7 March 2018	Apartment	68.58
E	20181001370	33-8-2414	7 March 2018	Apartment	59.94
E	20181001371	33-8-2415	7 March 2018	Apartment	59.94
E	20181001372	33-8-2416	7 March 2018	Apartment	68.58
E	20181001373	33-8-2501	7 March 2018	Apartment	45.47
E	20181001374	33-8-2502	7 March 2018	Apartment	52.96
E	20181001375	33-8-2503	7 March 2018	Apartment	52.96
E	20181001376	33-8-2504	7 March 2018	Apartment	45.47
E	20181001377	33-8-2505	7 March 2018	Apartment	68.58
E	20181001378	33-8-2506	7 March 2018	Apartment	59.94
E	20181001379	33-8-2507	7 March 2018	Apartment	59.94
E	20181001380	33-8-2508	7 March 2018	Apartment	68.58
E	20181001381	33-8-2509	7 March 2018	Apartment	45.47
E	20181001382	33-8-2510	7 March 2018	Apartment	51.31
E	20181001383	33-8-2511	7 March 2018	Apartment	51.37
E	20181001384	33-8-2512	7 March 2018	Apartment	45.47
E	20181001385	33-8-2513	7 March 2018	Apartment	68.58
E	20181001386	33-8-2514	7 March 2018	Apartment	59.94
E	20181001399	33-8-2515	7 March 2018	Apartment	59.94
E	20181001400	33-8-2516	7 March 2018	Apartment	68.58
E	20181001401	33-8-2601	7 March 2018	Apartment	45.47
E	20181001402	33-8-2602	7 March 2018	Apartment	52.96
E	20181001403	33-8-2603	7 March 2018	Apartment	52.96
E	20181001404	33-8-2604	7 March 2018	Apartment	45.47
E	20181001423	33-8-2605	7 March 2018	Apartment	68.58
E	20181001424	33-8-2606	7 March 2018	Apartment	59.94
E	20181001425	33-8-2607	7 March 2018	Apartment	59.94
E	20181001426	33-8-2608	7 March 2018	Apartment	68.58
E	20181001427	33-8-2609	7 March 2018	Apartment	45.47
E	20181001428	33-8-2610	7 March 2018	Apartment	51.31
E	20181001429	33-8-2611	7 March 2018	Apartment	51.37
E	20181001430	33-8-2612	7 March 2018	Apartment	45.47
E	20181001433	33-8-2613	7 March 2018	Apartment	68.58
E	20181001434	33-8-2614	7 March 2018	Apartment	59.94
E	20181001435	33-8-2615	7 March 2018	Apartment	59.94
E	20181001436	33-8-2616	7 March 2018	Apartment	68.58
E	20181001437	33-8-2701	7 March 2018	Apartment	84.67
E	20181001438	33-8-2702	7 March 2018	Apartment	54.10
E	20181001439	33-8-2703	7 March 2018	Apartment	54.10
E	20181001440	33-8-2704	7 March 2018	Apartment	61.08
E	20181001441	33-8-2705	7 March 2018	Apartment	54.10
E	20181001442	33-8-2706	7 March 2018	Apartment	54.10
E	20181001443	33-8-2801	7 March 2018	Apartment	82.77
E	20181001444	33-8-2802	7 March 2018	Apartment	51.64
E	20181001445	33-8-2803	7 March 2018	Apartment	51.64
E	20181001446	33-8-2804	7 March 2018	Apartment	59.17
E	20181001447	33-8-2805	7 March 2018	Apartment	51.63
E	20181001448	33-8-2806	7 March 2018	Apartment	51.63

**Total****28,949.76**



- (4) According to Business Licence No. 91120116666115090B, Tianjin Polar Travel Co., Ltd. was established as a limited liability company with a registered capital of RMB203,414,800 for a valid operation period from 24 September 2007 to 23 September 2027.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Polar Travel Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Polar Travel Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (6) Linda Li, 7 years of experience in the valuation of properties in Tianjin, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group I – Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
I-6. The portion for investment of Phase 1 of Wuhan Haichang Polar Ocean Park, Jinyintan Avenue, Dongxihu District, Wuhan, Hubei Province, the PRC	<p>The property comprises various commercial units situated in low-rise commercial buildings, which completed in 2013. The property has a total gross floor area of approximately 35,345.53 sq.m.</p> <p>The property is situated at the intersection of Jinyintan Avenue and Hongtu Avenue, where the transportation network is well-developed accessed by multiple bus routes and metro line. Developments in the vicinity comprise mainly residential and industrial properties.</p> <p>The land use rights of the property have been granted for various terms due to expire on 5 September 2046 and 27 December 2046 for commercial use.</p>	As at the Valuation Date, portions of the property with total GFA of 23,145.28 sq.m. were subject to various tenancies with the latest tenancy due to expire in October 2035 at a total monthly rent of approximately RMB1,165,000 (exclusive of VAT).	<p>RMB304,700,000 (RENMINBI THREE HUNDRED FOUR MILLION AND SEVEN HUNDRED THOUSAND)</p> <p>(100% interest attributable to the Group: RMB304,700,000)</p>

## Notes:

- (1) According to 2 Certificates for the Use of State-owned Land issued by Wuhan Dongxihu State-owned Land and Resources Bureau, the land use rights of the property with a total site area of 240,752.76 sq.m. have been vested in Wuhan Polar Ocean World Investment Co., Ltd. The details of the certificates are summarised as follows:

Certificate No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq.m.)
(2007)030101468	07 August 2012	Commercial	05 September 2046	176,177.14
(2007)030101464	14 February 2007	Commercial	27 December 2046	64,575.62
<b>Total</b>				<b>240,752.76</b>

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 6 Building Ownership Certificates, the title of portion of the property, comprising a gross floor area of 38,538.27 sq.m., has been vested in Wuhan Polar Ocean World Investment Co., Ltd. The details of the certificates are summarised as follows:

Certificate No.	Location	Building Use	Gross Floor Area (sq.m.)
2013008186	Building 401-405, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	8,292.04
2013008187	Building 406, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	8,489.27
2013008185	Building 407, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial, Else	7,510.84
2013008184	Building 408, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	8,905.28
2013008183	Building 409, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	4,799.75
2014014393	Building 410 of Polar Aquarium amenities, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	541.09
<b>Total:</b>			<b><u><u>38,538.27</u></u></b>

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Business Licence No. 91420112768053425A, Wuhan Polar Ocean World Investment Co., Ltd was established as a limited liability company with a registered capital of RMB460,000,000 for a valid operation period from 26 October 2004 to long term.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificates for the Use of State-owned Land and Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Wuhan Polar Ocean World Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Wuhan Polar Ocean World Investment Co., Ltd has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Glenn Lu, 4 years of experience in the valuation of properties in Wuhan, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group II – Property interests held by the Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021										
II-1. The portion for sale of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	The property comprises 2 unsold commercial units and 261 car parks completed in 2012. The property has a total gross floor area of 9,792.91 sq.m. with details as follows:	As at the Valuation Date, the property was completed for sale.	RMB8,000,000 (RENMINBI EIGHT MILLION)  (100% interest attributable to the Group: RMB8,000,000)										
	<table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>816.13</td> </tr> <tr> <td>Underground</td> <td>8,976.78</td> </tr> <tr> <td>Carpark</td> <td>(261 units)</td> </tr> <tr> <td><b>Total</b></td> <td><b>9,792.91</b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq.m.)	Commercial	816.13	Underground	8,976.78	Carpark	(261 units)	<b>Total</b>	<b>9,792.91</b>		
Use	Gross Floor Area (sq.m.)												
Commercial	816.13												
Underground	8,976.78												
Carpark	(261 units)												
<b>Total</b>	<b>9,792.91</b>												
	<p>The property is situated at Tianfu Avenue where the transportation network is well-developed accessed by multiple metro lines. Developments in the vicinity comprise mainly residential properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 11 March 2046 for commercial use.</p>												

## Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007)00046 dated 30 January 2007, the land use rights of the property comprising a total site area of 240,048.93 sq.m. have been granted for a term due to expire on 11 March 2046 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 2 Building Ownership Certificates, the building ownership of the property with a total gross floor area of 31,798.52 sq.m. has been vested in Chengdu Polar Marine Industries Co., Ltd. Details of various certificates are summarised as follows:–

Certificate No.	Location	Building Use	Gross Floor Area (sq.m.)
0376215	Building 7, No. 2039, South Section of Tianfu Avenue,	Commercial	11,175.42
1266929	Floor -1, Building 35, No. 2039, South Section of Tianfu Avenue	Carpark	20,623.10
<b>Total</b>			<b>31,798.52</b>

As advised by the Group, the property is a part of the above certificate record.

- (3) As advised by the Group, the property comprises 261 car parking spaces. As the owner has not fully paid the land premium subject to the underground space, we have ascribed no commercial value. For the Group's management reference, had the relevant proper and unfettered title document been obtained without encumbrances and the land premium been fully settled, the market value of such property (car parking spaces) would be RMB23,000,000 (RENMINBI TWENTY THREE MILLION).
- (4) According to Business Licence No. 91510100755955139X, Chengdu Polar Marine Industries Co., Ltd. was established as a limited liability company with a registered capital of RMB130,305,000 for a valid operation period from 18 December 2003 to long term.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificate for the Use of State-owned Land and Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Chengdu Polar Marine Industries Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chengdu Polar Marine Industries Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (6) Xiaoyu Niu, 2 years of experience in the valuation of properties in Beijing and Chengdu, inspected the property on 15 September 2021.

## VALUATION REPORT

## Group II – Property interests held by the Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021										
II-2. Kara Mansion, Jinyintan Avenue Dongxihu District, Wuhan, Hubei Province, the PRC	<p>The property comprises the pre-sold and unsold portion of Kara Mansion, including various apartment and commercial units, as well as 515 underground car parks completed in between 2020 and 2021.</p> <p>The property has a total gross floor area of 38,427.88 sq.m. with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>4,098.52</td> </tr> <tr> <td>Apartment</td> <td>34,329.36</td> </tr> <tr> <td>Underground carpark</td> <td>(640 units)</td> </tr> <tr> <td><b>Total</b></td> <td><b><u>38,427.88</u></b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq.m.)	Commercial	4,098.52	Apartment	34,329.36	Underground carpark	(640 units)	<b>Total</b>	<b><u>38,427.88</u></b>	As at the Valuation Date, the property was completed for sale.	<p>RMB385,000,000 (RENMINBI THREE HUNDRED AND EIGHTY-FIVE MILLION)</p> <p>(100% interest attributable to the Group: RMB385,000,000)</p>
Use	Gross Floor Area (sq.m.)												
Commercial	4,098.52												
Apartment	34,329.36												
Underground carpark	(640 units)												
<b>Total</b>	<b><u>38,427.88</u></b>												
	<p>The property is situated at the intersection of Jinyintan Avenue and Hongtu Avenue, where the transportation network is well-developed accessed by multiple bus routes and metro line. Developments in the vicinity comprise mainly residential and industrial properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 27 December 2046 for commercial use.</p>												

## Notes:

(1) According to Grant Contract of Land Use Rights No. WDP-2006-165-1, the land use rights of the property have been granted to Wuhan Polar Ocean World Investment Co., Ltd. with details as follows:

- |       |              |   |  |
|-------|--------------|---|--|
| (i)   | Location     | : | South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District |
| (ii)  | Site area    | : | 43,814.27 sq.m.  |
| (iii) | Use          | : | Commercial use   |
| (iv)  | Plot ratio   | : | ≤ 1.88   |
| (v)   | Land Premium | : | RMB11,668,585  |

As advised by the Group, the property is a part of the above contract record.

- (2) According to Certificate for the Use of State-owned Land No. (2007)030101463 issued on 14 February 2007, the land use rights of the property with site area of 38,724.15 sq.m. have been vested in Wuhan Polar Ocean World Investment Co., Ltd. for commercial use for a land use term due to expire on 27 December 2046.

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Planning Permit for Construction Use of Land No. 2007(050) issued on 22 June 2007, the construction site of a parcel of land with a total site area of 43,814.27 sq.m. is in compliance with the town planning requirements.

As advised by the Group, the property is a part of the above certificate record.

- (4) According to Planning Permit for Construction Works No. (2018)035 dated 18 April 2018, the construction works of the property with a permitted gross floor area of 97,183.11 sq.m. are in compliance with the construction works requirements and have been approved.

As advised by the Group, the property is a part of the above certificate record.

- (5) According to Commencement of Construction Works No. 420112201803300021BJ4001 issued on 10 July 2018, the proposed construction area of the property complies with the town planning requirements and permit for construction of total area of 97,183.11 sq.m.

As advised by the Group, the property is a part of the above certificate record.

- (6) According to Construction Works Completion Examination Form, the property with a total gross floor area of 97,124.07 sq.m. was completed. Details are as follows:

<b>Certificate No.</b>	<b>Issue Date</b>	<b>Property Name</b>	<b>Gross Floor Area</b> (sq.m.)
09-21-0047	19 January 2021	No. 1	23,381.17
09-21-0048	19 January 2021	No. 2	23,381.17
09-21-0166	30 April 2021	No. 3	23,383.13
09-20-0368	24 September 2020	C-1, C-2, C-3	2,541.11
09-21-0049	9 January 2021	C-5	558.00
09-21-0051	9 January 2021	Basement	23,879.49
<b>Total</b>			<b>97,124.07</b>

- (7) According to 4 Commodity Housing Pre-sale Permits in favour of Wuhan Polar Ocean World Investment Co., Ltd., the construction work with a total gross floor area of 73,020.30 sq.m. was permitted for pre-sale with details as follows:

<b>Permit No.</b>	<b>Issue Date</b>	<b>Property Name</b>	<b>Gross Floor Area</b> (sq.m.)
2018(825)	19 December 2018	No. 1	23,381.17
2019(434)	02 July 2019	No. 2,C-5	23,939.17
2020(139)	06 May 2020	No. 3	23,158.85
2018(580)	17 October 2018	C-1, C-2, C-3	2,541.11
			<b>73,020.30</b>

As advised by the Group, the property is a part of the above certificate record.

- (8) According to the information provided by the Group, portions of the property with a gross floor area of 21,012.43 sq.m. have been pre-sold for a consideration of about RMB210,800,000. In the course of our valuation, we have included such pre-sold portions and taken into account such consideration in our valuation.
- (9) As advised by the Group, the property comprises 529 non-civil defence car parking spaces and 111 civil defence car parking spaces, which have not obtained and will not obtain the Real Estate Ownership Certificates in the future. As the owner does not have unfettered rights in the property and civil defence car parking spaces are subjected to the use by the public at no cost during war times, we have ascribed no commercial value. For the Group's management reference, had the relevant proper and unfettered title document been obtained without encumbrances and the land premium been fully settled, the market value of such property (car parking spaces) would be RMB36,000,000 (RENMINBI THIRTY SIX MILLION).
- (10) According to Business Licence No. 91420112768053425A, Wuhan Polar Ocean World Investment Co., Ltd was established as a limited liability company with a registered capital of RMB460,000,000 for a valid operation period from 26 October 2004 to long term.
- (11) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Wuhan Polar Ocean World Investment Co., Ltd is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Wuhan Polar Ocean World Investment Co., Ltd has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (12) Glenn Lu, 12 years of experience in the valuation of properties in Wuhan, inspected the property on 14 September 2021.



## VALUATION REPORT

## Group III – Property interests held by the Group for operation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
III-1. The portion for operation of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	<p>The property comprises various low-rise commercial buildings operated as amusement complex and ancillary in Haichang Polar Ocean Park, which was completed in between 2010 and 2011.</p> <p>The property has a total gross floor area of approximately 47,194.62 sq.m.</p> <p>The property is situated at Tianfu Avenue where the transportation network is well-developed accessed by multiple metro lines. Developments in the vicinity comprise mainly residential properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 11 March 2046 for commercial use.</p>	As at the Valuation Date, the property was operated by the Group as Chengdu Haichang Polar Ocean Park.	<p>RMB371,000,000 (RENMINBI THREE HUNDRED AND SEVENTY-ONE MILLION)</p> <p>(100% interest attributable to the Group: RMB371,000,000)</p>

## Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007)00046 dated 30 January 2007, the land use rights of the property comprising a total site area of 240,048.93 sq.m. have been granted for a term due to expire on 11 March 2046 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to a Real Estate Title Certificate and 4 Building Ownership Certificates, the building ownership of the property with a total gross floor area of 48,909.74 sq.m., has been vested in Chengdu Polar Marine Industries Co., Ltd. Details are as follows:–

Certificate No.	Location	Building Use	Gross Floor Area (sq.m.)
0351105	No. 2039-1, South Section of Tianfu Avenue	Commercial and Others	17,261.70
0355689	Floor -1-1, No. 1-6 (Building), No. 2039-2, South Section of Tianfu Avenue	Commercial	8,079.55
0351117	No. 2039-3, South Section of Tianfu Avenue	Commercial	20,726.84
(2017)0004453	No. 1, 1st Floor, Building 10, No. 2039, South Section of Tianfu Avenue	Commercial	661.19
0376212	Building 8, No. 2039, South Section of Tianfu Avenue	Commercial	2,180.46
<b>Total</b>			<b>48,909.74</b>

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Business Licence No. 91510100755955139X, Chengdu Polar Marine Industries Co., Ltd. was established as a limited liability company with a registered capital of RMB130,305,000 for a valid operation period from 18 December 2003 to long term.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificate for the Use of State-owned Land, Building Ownership Certificates and Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Chengdu Polar Marine Industries Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Chengdu Polar Marine Industries Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance; and
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Xiaoyu Niu, 2 years of experience in the valuation of properties in Beijing and Chengdu, inspected the property on 15 September 2021.

## VALUATION REPORT

## Group III – Property interests held by the Group for operation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
III-2. The portion for operation of Qingdao Haichang Polar Ocean World, Donghai East Road, Laoshan District, Qingdao, Shandong Province, the PRC	<p>The property comprises 3 low-rise commercial buildings operated as amusement complex in Qingdao Polar Ocean World, which was completed in between 1994 and 2015. The property has a total gross floor area of 31,040.15 sq.m.</p> <p>The property is situated in a famous National Tourism Resort where the transportation network is well-developed accessed by metro line 2. Developments in the vicinity comprise mainly residential and tourist properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 20 November 2045 for tourism and recreation uses.</p>	As at the Valuation Date, the property was operated by the Group as Qingdao Polar Ocean World.	<p>RMB319,000,000 (RENMINBI THREE HUNDRED AND NINETEEN MILLION)</p> <p>(100% interest attributable to the Group: RMB319,000,000)</p>

## Notes:

- (1) According to 4 Real Estate Title Certificates, the land used rights and the building ownership of the property has been vested in Qingdao Polar Ocean World Co., Ltd., the details are as follows:

Certificate No.	Location	Issue date	Gross Floor Area (sq.m.)
(2010)102759	Block 1, 60 Donghai East Road	30 November 2010	39,103.41
(2010)102757	No. 52-1 Donghai East Road	30 November 2010	6,110.10
(2010)102758	No. 52-2 Donghai East Road	30 November 2010	120.71
(2010)102755	No. 52-3 Donghai East Road	30 November 2010	23.46
<b>Total</b>			<b>45,357.68</b>

As advised by the Group, the property is a part of the above certificate record.

- (2) As advised by the Group, the property comprises a gross floor area of 481.47 sq.m. which have not obtained Real Estate Ownership Certificates. As the owner does not have unfettered rights in the property, we have ascribed no commercial value. For the Group's management reference, had the relevant proper and unfettered title document been obtained without encumbrances and the land premium been fully settled, the market value of such property would be RMB8,000,000 (RENMINBI EIGHT MILLION).
- (3) According to Business Licence No. 913702007403858907, Qingdao Polar Ocean World Co., Ltd. was established as a limited liability company with a registered capital of RMB3,461,408,000 for a valid operation period from 26 September 2002 to 26 September 2042.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Polar Ocean World Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Polar Ocean World Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Chaoxiang Jia, 4 years of experience in the valuation of properties in Qingdao, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group III – Property interests held by the Group for operation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
III-3. The portion for operation of Block C, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	<p>The project is erected on a parcel of land with a total site area of 30,495.10 sq.m. The property comprises a 4-storey recreational building operated as amusement complex in Haichang Polar Ocean Park, which was completed in about 2014.</p> <p>The property has a total gross floor area of approximately 49,289.03 sq.m.</p> <p>The property is situated in Xiangluo Bay, Binhai New Area, Tianjin, with complete infrastructure. Developments in the vicinity comprise mainly residential and office properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 21 March 2050 for recreational use.</p>	As at the Valuation Date, the property was operated by the Group as Tianjin Polar Ocean World.	<p>RMB513,000,000 (RENMINBI FIVE HUNDRED AND THIRTEEN MILLION)</p> <p>(100% interest attributable to the Group: RMB513,000,000)</p>

*Notes:*

- (1) According to Real Estate Title Certificate No.107011115220 dated 09 August 2011, the land use rights of the property comprising a total site area of 30,495.10 sq.m. and total gross floor area of 49,289.03 sq.m., have been granted for a term due to expire on 21 March 2050 for recreational use.
- (2) According to Business Licence No. 91120116666115090B, Tianjin Polar Travel Co., Ltd. was established as a limited liability company with a registered capital of RMB203,414,800 for a valid operation period from 24 September 2007 to 23 September 2027.
- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
  - (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Polar Travel Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Polar Travel Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, The Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (4) Linda Li, 7 years of experience in the valuation of properties in Tianjin, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group III – Property interests held by the Group for operation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
III-4. The portion for operation of Phase I of Wuhan Haichang Polar Ocean Park, Jinyintan Avenue Dongxihu District, Wuhan, Hubei Province, the PRC	<p>The property comprises 5 low-rise commercial buildings operated as amusement complex in Phase I of Wuhan Polar Ocean World, which was completed in between 2012 and 2013. The property has a total gross floor area of approximately 50,889.85 sq.m.</p> <p>The property is situated at the intersection of Jinyintan Avenue and Hongtu Avenue, where the transportation network is well-developed accessed by multiple bus routes and metro line. Developments in the vicinity comprise mainly residential and industrial properties.</p> <p>The land use rights of the property have been granted for various terms due to expire on 5 September 2046 and 27 December 2046 for commercial use.</p>	As at the Valuation Date, the property was operated by the Group as Wuhan Haichang Polar Ocean World.	<p>RMB448,000,000 (RENMINBI FOUR HUNDRED AND FORTY-EIGHT MILLION)</p> <p>(100% interest attributable to the Group: RMB448,000,000)</p>

*Notes:*

- (1) According to two Certificate for the Use of State-owned Land issued by Wuhan Dongxihu State-owned Land and Resources Bureau, the land use rights of the property with a total site area of 240,752.76 sq.m. have been vested in Wuhan Polar Ocean World Investment Co., Ltd. The details of the certificates are summarised as follows:

Certificate No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq.m.)
(2007)030101468	07 August 2012	Commercial	05 September 2046	176,177.14
(2007)030101464	14 February 2007	Commercial	27 December 2046	64,575.62
<b>Total</b>				<b>240,752.76</b>

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 6 Building Ownership Certificates, the title of portion of the property, comprising a gross floor area of 56,186.38 sq.m., has been vested in Wuhan Polar Ocean World Investment Co., Ltd. The details of the certificates are summarised as follows:

<b>Certificate No.</b>	<b>Location</b>	<b>Building Use</b>	<b>Gross Floor Area</b> (sq.m.)
(2013)008187	Building 406, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	8,489.27
(2015)003770	“Wuhan Polar Ocean World” exhibition Center, west of Hongtu Avenue and south of Jinyintan Avenue	Other	4,908.21
(2012)010670	Building 501, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	2,994.51
(2012)010673	Building 502, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	12,011.61
(2012)010672	Building 503, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	16,801.87
(2012)010671	Building 504, South of Jinyintan Avenue and west of Hongtu Avenue, Dongxihu District	Commercial	10,980.91
<b>Total:</b>			<b>56,186.38</b>

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Business Licence No. 91420112768053425A, Wuhan Polar Ocean World Investment Co., Ltd was established as a limited liability company with a registered capital of RMB460,000,000 for a valid operation period from 26 October 2004 to long term.
- (4) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificates for the Use of State-owned Land and Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Wuhan Polar Ocean World Investment Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Wuhan Polar Ocean World Investment Co., Ltd has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee’s consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Glenn Lu, 12 years of experience in the valuation of properties in Wuhan, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group IV – Property interests held by the Group for owner occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021										
IV-1. The portion for owner operation of Chengdu Haichang Polar Ocean Park, No. 2039 Tianfu Avenue, Tianfu New Area, Chengdu, Sichuan Province, the PRC	<p>The property comprises a 3-storey office building and various commercial units, which was completed in between 2010 and 2012.</p> <p>The property has a total gross floor area of 5,996.92 sq.m. with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>2,532.84</td> </tr> <tr> <td>Commercial</td> <td>1,176.75</td> </tr> <tr> <td>Dormitory</td> <td>2,287.33</td> </tr> <tr> <td><b>Total</b></td> <td><b><u>5,996.92</u></b></td> </tr> </tbody> </table> <p>The property is situated at Tianfu Avenue where the transportation network is well-developed accessed by multiple metro lines. Developments in the vicinity comprise mainly residential properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 11 March 2046 for commercial use.</p>	Use	Gross Floor Area (sq.m.)	Office	2,532.84	Commercial	1,176.75	Dormitory	2,287.33	<b>Total</b>	<b><u>5,996.92</u></b>	As at the Valuation Date, the property was occupied by the Group as office, commercial and staff dormitory.	<p>RMB68,000,000 (RENMINBI SIXTY-EIGHT MILLION)</p> <p>(100% interest attributable to the Group: RMB68,000,000)</p>
Use	Gross Floor Area (sq.m.)												
Office	2,532.84												
Commercial	1,176.75												
Dormitory	2,287.33												
<b>Total</b>	<b><u>5,996.92</u></b>												

## Notes:

- (1) According to Certificate for the Use of State-owned Land No. (2007)00046 dated 30 January 2007, the land use rights of the property comprising a total site area of 240,048.93 sq.m., have been granted for a term due to expire on 11 March 2046 for commercial use.

As advised by the Group, the property is a part of the above certificate record.



- (2) According to 4 Building Ownership Certificates, the building ownership of the property with a total gross floor area of 36,973.69 sq.m.. has been vested in Chengdu Polar Marine Industries Co., Ltd. Details of various certificates are summarised as follows:–

<b>Certificate No.</b>	<b>Location</b>	<b>Building Use</b>	<b>Gross Floor Area</b> (sq.m.)
0376231	No. 2039-7, South Section of Tianfu Avenue	Office	2,532.84
4389527	Building 9, No. 2039, South Section of Tianfu Avenue	Commercial	2,538.59
0351117	No. 2039-3, South Section of Tianfu Avenue	Commercial	20,726.84
0376215	Building 7, No. 2039, South Section of Tianfu Avenue	Commercial	11,175.42
<b>Total</b>			<b>36,973.69</b>

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Business Licence No. 91510100755955139X, Chengdu Polar Marine Industries Co., Ltd. was established as a limited liability company with a registered capital of RMB130,305,000 for a valid operation period from 18 December 2003 to long term.
- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificate for the Use of State-owned Land and Building Ownership Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Chengdu Polar Marine Industries Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property.
  - (iii) Chengdu Polar Marine Industries Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance.
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Xiaoyu Niu, 2 years of experience in the valuation of properties in Beijing and Chengdu, inspected the property on 15 September 2021.

## VALUATION REPORT

## Group IV – Property interests held by the Group for owner occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
IV-2. The portion for owner occupation of Qingdao Haichang Polar Ocean World, No. 56-22 Donghai East Road, Laoshan District, Qingdao, Shandong Province, the PRC	<p>The property comprises a 2-storey commercial building, which was completed in 2009. The property has a total gross floor area of 721.50 sq.m.</p> <p>The property is situated in a famous National Tourism Resort where the transportation network is well-developed accessed by metro line 2. Developments in the vicinity comprise mainly residential and tourist properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 20 November 2045 for tourism and recreation uses.</p>	At as the Valuation Date, the property is currently occupied by the Group as staff dormitory.	<p>RMB9,000,000 (RENMINBI NINE MILLION)</p> <p>(100% interest attributable to the Group: RMB9,000,000)</p>

*Notes:*

- (1) According to Real Estate Title Certificate No. (2020)0027674 issued on 4 August 2020, the land used rights of the property comprising a total site area of 117,675.6 sq.m. and the building ownership of the property with a total gross floor area of 721.5 sq.m. have been vested in Qingdao Polar Ocean World Co., Ltd.
- (2) According to Business Licence No. 913702007403858907, Qingdao Polar Ocean World Co., Ltd. was established as a limited liability company with a registered capital of RMB3,461,408,000 for a valid operation period from 26 September 2002 to 26 September 2042.
- (3) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
  - (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Qingdao Polar Ocean World Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Qingdao Polar Ocean World Co., Ltd. has the right to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (4) Chaoxiang Jia, 4 years of experience in the valuation of properties in Qingdao, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group IV – Property interests held by the Group for owner occupation in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021										
IV-3. The portion for owner occupation of Tianjin Haichang Polar Ocean World, east side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, the PRC	<p>The property comprises office building and underground carparks, which was completed in between 2013 and 2014.</p> <p>The property has a total gross floor area of 25,875.64 sq.m. with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>1,830.61</td> </tr> <tr> <td>Underground</td> <td>24,045.03</td> </tr> <tr> <td>Carpark</td> <td>(418 units)</td> </tr> <tr> <td><b>Total</b></td> <td><b><u>25,875.64</u></b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq.m.)	Office	1,830.61	Underground	24,045.03	Carpark	(418 units)	<b>Total</b>	<b><u>25,875.64</u></b>	As at the Valuation Date, the property was currently occupied by the Group as office and underground carpark.	<p>RMB16,000,000 (RENMINBI SIXTEEN MILLION)</p> <p>(100% interest attributable to the Group: RMB16,000,000)</p>
Use	Gross Floor Area (sq.m.)												
Office	1,830.61												
Underground	24,045.03												
Carpark	(418 units)												
<b>Total</b>	<b><u>25,875.64</u></b>												
	<p>The property is situated at the intersection of Jinyintan Avenue and Hongtu Avenue, where the transportation network is well-developed accessed by multiple bus routes and metro line. Developments in the vicinity comprise mainly residential and industrial properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 21 March 2050 for commercial use.</p>												

## Notes:

- (1) According to Real Estate Title Certificate No. 107051100696 dated 26 August 2011, the land use rights of the property comprising a total site area of 185,183.6 sq.m., have been granted for a term due to expire on 21 March 2050 for commercial use.

- (2) According to 6 Real Estate Title Certificates, the title of portion of the property, comprising a gross floor area of 27,552.64 sq.m., has been vested in Tianjin Polar Travel Co., Ltd. Details of various certificates are summarised as follows:–

Block.	Certificate No.	Location	Issue Date	Building Use	Gross Floor Area (sq.m.)
D	1480815000542	Retail 25-2	21 January 2015	Commercial	434.24
D	1480815000543	Retail 25-3	21 January 2015	Commercial	430.59
D	1480815000544	Retail 25-4	21 January 2015	Commercial	568.44
D	1480815000545	Retail 25-5	21 January 2015	Commercial	397.34
B & D	20161007175	-101, Underground Carpark, No. 2-16, No. 17-30	16 December 2016	Underground carpark	17,088.28
E	148011502837	-101, Underground Carpark, No. 31, No. 32,	6 July 2015	Underground carpark	8,633.75
<b>Total</b>					<b><u>27,552.64</u></b>

As advised by the Group, the property is a part of the above certificate record.

- (3) As advised by the Group, the property comprises 418 car parking spaces. As the owner has not fully paid the land premium subject to the underground space, we have ascribed no commercial value. For the Group's management reference, had the relevant proper and unfettered title document been obtained without encumbrances and the land premium been fully settled, the market value of such property (car parking spaces) would be RMB28,400,000 (RENMINBI TWENTY EIGHT MILLION AND FOUR HUNDRED THOUSAND).
- (4) According to Business Licence No. 91120116666115090B, Tianjin Polar Travel Co., Ltd. was established as a limited liability company with a registered capital of RMB203,414,800 for a valid operation period from 24 September 2007 to 23 September 2027.
- (5) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Polar Travel Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Polar Travel Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (6) Linda Li, 7 years of experience in the valuation of properties in Tianjin, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group V – Property interest held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
V-1. Phase 1 of Zhengzhou Haichang Ocean Park, South of Pingan Avenue, East of Wenchang Road, West of Qingsha Street, Zhongmu County, Zhengzhou, Henan Province, the PRC	<p>The property comprises a composite development to be erected on two parcels of land with a total site area of 424,692.23 sq.m.</p> <p>According to the information provided by the Group, the property is scheduled to be completed in 2023 and to develop as portion of Zhengzhou Haichang Ocean Park, comprising of hotel, commercial, office and amusement complex. The planned gross floor area of the property is 116,718.66 sq.m. with aboveground gross floor area of 101,934.44 sq.m. and underground gross floor area of 14,784.22 sq.m.</p> <p>The property is situated in in Zhengzhou International Cultural and Creative Industrial Park. Developments in the vicinity comprise mainly residential properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 30 October 2057 and 29 October 2057 for accommodation &amp; catering and other commercial uses.</p>	As at the Valuation Date, the property was under construction.	<p>RMB572,000,000 (RENMINBI FIVE HUNDRED AND SEVENTY-TWO MILLION)</p> <p>(100% interest attributable to the Group: RMB572,000,000)</p>

## Notes:

- (1) According to 2 Real Estate Title Certificates issued by Zhongmu County Land and Resources Bureau, the land use rights of the property with a total site area of 424,692.23 sq.m. have been vested in Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. The details of the certificates are summarised as follows:

Certificate No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq.m.)
(2018)0017232	14 November 2018	Other Commercial	5 September 2046	329,825.33
(2018)0004294	28 April 2018	Accommodation and Catering	27 December 2046	94,866.90
<b>Total</b>				<b>424,692.23</b>

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 2 Grant Contracts of Land Use Rights and their Supplementary Agreement of Grant Contracts of State-owned Land Use Rights, the land use rights of the property have been granted to Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. with details as follows:

(i) Contract No. : 410122-CR-2017-085-0004  
(ii) Site area : 94,866.90 sq.m.  
(iii) Use : Accommodation and Catering  
(iv) Plot ratio : < 1.20  
(v) Land Premium : RMB170,760,420

(i) Contract No. : 410122-CR-2017-086-0009  
(ii) Site area : 329,825.33 sq.m.  
(iii) Use : Other Commercial  
(iv) Plot ratio : < 0.50  
(v) Land Premium : RMB321,579,697

As advised by the Group, the property is a part of the above certificate record.

- (3) According to 2 Planning Permits for Construction Use of Land issued by the Zhongmu County Urban-Rural Planning Bureau, the construction site of the property with a total site area of approximately 424,692.23 sq.m. is in compliance with the urban planning requirements. The details are as follows:

Permit No.	Issue Date	Project Name	Site Area (sq.m.)
(2018)041	17 May 2018	Zhengzhou Haichang Ocean Park	329,825.33
(2017)068	17 October 2017	Zhengzhou Haichang Ocean Park	94,866.90
<b>Total</b>			<b>424,692.23</b>

As advised by the Group, the property is a part of the above certificate record.

- (4) According to 2 Planning Permits for Construction Works issued by the Zhongmu County Planning and Natural Resources Bureau, the construction works of the development with a total gross floor area of approximately 116,718.66 sq.m. are in compliance with the construction works requirements and have been approved. The details are as follows:

Permit No.	Issue Date	Project Name	Gross Floor Area (sq.m.)
(2021)001	06 January 2021	Haichang Ocean Park Phase I	78,243.59
(2018)071	30 October 2018	Zhengzhou Haichang Ocean Park Commercial Land (Phase I)	38,475.07
<b>Total</b>			<b>116,718.66</b>

As advised by the Group, the property is a part of the above certificate record.

- (5) According to Permit for Commencement of Construction Works No. 410122201901220401 issued by the Zhongmu County Urban-Rural Construction Management Bureau, the construction works of the development with a total gross floor area of approximately 38,475.07 sq.m. are in compliance with the requirements for works commencement and have been permitted. The details are as follows:

Permit No.	Issue Date	Project Name	Gross Floor Area (sq.m.)
410122201901220401	22 January 2019	Zhengzhou Haichang Ocean Park Commercial Land (Phase I)	38,475.07
<b>Total</b>			<b>38,475.07</b>

- (6) According to the information provided by the Group, the total construction cost incurred of the development project is approximately RMB412,000,000. The estimated total construction cost is about RMB2,005,000,000. In the course of our valuation, we have taken into account such costs.
- (7) According to Business Licence No. 91410122MA443C875U, Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. was established as a limited liability company with a registered capital of RMB669,930,000 for a valid operation period from 20 June 2017 to long term.
- (8) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - (ii) Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (9) Jasmine Zhang, 2.5 years of experience in the valuation of properties in Zhengzhou, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group VI – Property interests held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
VI-1. Block A, Tianjin Haichang Polar Ocean World, East side of Henan Road and south side of Binhe Road, Binhai New District, Tianjin, The PRC	<p>The property comprises a parcel of land with a site area of 31,861 sq.m.</p> <p>The property is situated in Xiangluo Bay, Binhai New Area, Tianjin, with complete infrastructure. Developments in the vicinity comprise mainly residential and office properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 21 March 2050 for commercial use.</p>	As at the Valuation Date, the property was a vacant land pending for further development.	<p>RMB237,000,000 (RENMINBI TWO HUNDRED AND THIRTY-SEVEN MILLION)</p> <p>(100% interest attributable to the Group: RMB237,000,000)</p>

*Notes:*

- (1) According to Real Estate Title Certificate No. 107051100696 dated 26 August 2011, the land use rights of the property comprising a total site area of 185,183.6 sq.m., have been granted for a term due to expire on 21 March 2050 for commercial use.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to Grant Contract of Land Use Rights No. 2007059, the land use rights of the property have been granted to Tianjin Polar Travel Co., Ltd. According to Supplement Agreements of Grant Contract No. 2009001, the land use was changed from “Entertainment Land” to “Entertainment, Hotel and Serviced Apartment Land”, and the total site area was adjusted from 187,601.5 sq.m. to 185,176.8 sq.m. According to Supplement Agreements of Grant Contract No. 2007-15-7 signed on 13 March 2014, the land premium of RMB5,558,724 was charged accordingly subject to the additional underground operating gross floor area of 8,511.58 sq.m.. The details are as follows:

(i) Contract No.	:	2007059, 2009001 and 2007-15-7
(ii) Site area	:	185,176.8 sq.m
(iii) Land Use	:	Entertainment, Hotel and Serviced Apartment
(iv) Plot ratio	:	≤ 1.2
(v) Land Premium	:	RMB398,280,000 for aboveground area RMB5,558,724 for underground area

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Business Licence No. 91120116666115090B, Tianjin Polar Travel Co., Ltd. was established as a limited liability company with a registered capital of RMB203,414,800 for a valid operation period from 24 September 2007 to 23 September 2027.



- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Real Estate Title Certificate of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Tianjin Polar Travel Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Tianjin Polar Travel Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Linda Li, 7 years of experience in the valuation of properties in Tianjin, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group VI – Property interests held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
VI-2. Phase 2 of Wuhan Haichang Polar Ocean Park, Jinyintan Avenue Dongxihu District, Wuhan, Hubei Province, the PRC	<p>The property comprises a parcel of land with a site area of 118,618.43 sq.m.</p> <p>The property is situated at the intersection of Jinyintan Avenue and Hongtu Avenue, where the transportation network is well-developed accessed by multiple bus routes and metro line. Developments in the vicinity comprise mainly residential and industrial properties.</p> <p>The land use rights of the property have been granted for a term due to expire on 5 September 2046 for commercial use.</p>	As at the Valuation Date, the property was a vacant land pending for further development.	<p>RMB185,000,000 (RENMINBI ONE HUNDRED AND EIGHTY-FIVE MILLION)</p> <p>(100% interest attributable to the Group: RMB185,000,000)</p>

*Notes:*

- (1) According to Certificate for the Use of State-owned Land No. (2012)030101468 dated 7 August 2012, the land use rights of the property with a site area of 176,177.14 sq.m., have been vested in Wuhan Polar Ocean World Investment Co., Ltd. for commercial use for a land use term due to expire on 05 September 2046.

As advised by the Group, the property is a part of the above certificate record.

- (2) According to Grant Contract of Land Use Rights No. WDP-2006-077 signed on 6 September 2006, the land use rights of the property with total site area of 698,165.57 sq.m. have been granted to Dalian Haichang Group Co., Ltd. According to Modification Agreement of Grant Contract of Land Use Rights No. WDP-2006-077 signed on 21 November 2007 and Planning and Design Condition Letter No. (2014)301 signed on 12 September 2014, the land use rights transferred to Wuhan Polar Ocean World Investment Co., Ltd. and the land use was changed from “Other Commercial Land” to “Commercial Land” whilst the total site area was adjusted to 176,177.14 sq.m.. The details are as follows:

(i) Contract No.	:	WDP-2006-077, (2014)301
(ii) Site area	:	176,177.14 sq.m.
(iii) Use	:	Commercial
(iv) Plot ratio	:	≤0.5
(v) Land use term	:	40 years

As advised by the Group, the property is a part of the above certificate record.

- (3) According to Business Licence No. 91420112768053425A, Wuhan Polar Ocean World Investment Co., Ltd was established as a limited liability company with a registered capital of RMB460,000,000 for a valid operation period from 26 October 2004 to long term.

- (4) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- (i) The Certificate for the Use of State-owned Land of the property is valid, legal and enforceable under the PRC laws;
  - (ii) Wuhan Polar Ocean World Investment Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - (iii) Wuhan Polar Ocean World Investment Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (5) Glenn Lu, 12 years of experience in the valuation of properties in Wuhan, inspected the property on 14 September 2021.

## VALUATION REPORT

## Group VI – Property interests held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2021
VI-3. Phase 2 of Zhengzhou Haichang Ocean Park, South of Pingan Avenue, East of Wenchang Road, West of Qingsha Street, Zhongmu County, Zhengzhou, Henan Province, the PRC	<p>The property comprises the undeveloped portions of two parcels of land with a site area of 118,618.43 sq.m.</p> <p>As advised by the Group, the property has a total site area of 258,098.29 sq.m.</p> <p>The property is situated in Zhengzhou International Cultural and Creative Industrial Park. Developments in the vicinity comprise mainly residential properties.</p> <p>The land use rights of the property have been granted for terms due to expire on 30 October 2057 and 29 October 2057 for accommodation &amp; catering and commercial uses.</p>	As at the Valuation Date, the property was a vacant land pending for further development.	<p>RMB298,000,000 (RENMINBI TWO HUNDRED AND NINETY-EIGHT MILLION)</p> <p>(100% interest attributable to the Group: RMB298,000,000)</p>

## Notes:

- (1) According to 2 Real Estate Title Certificates issued by Zhongmu County Land and Resources Bureau, the land use rights of the property with a total site area of 424,692.23 sq.m. have been vested in Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. The details of the certificates are summarised as follows:

Certificate No.	Issue Date	Land Use	Land Use Term Expiry Date	Site Area (sq.m.)
(2018)0017232	14 November 2018	Other Commercial	5 September 2046	329,825.33
(2018)0004294	28 April 2018	Accommodation and Catering	27 December 2046	94,866.90
<b>Total</b>				<b>424,692.23</b>

As advised by the Group, the property is a part of the above certificate record.

- (2) According to 2 Grant Contracts of State-owned Land Use Rights and their Supplementary Agreements of Grant Contracts of State-owned Land Use Rights, the land use rights of the property have been granted to Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. with details as follows:

(i) Contract No.	:	410122-CR-2017-085-0004
(ii) Site area	:	94,866.90 sq.m.
(iii) Use	:	Accommodation and Catering
(iv) Plot ratio	:	< 1.20
(v) Land Premium	:	RMB170,760,420

(i)	Contract No.	:	410122-CR-2017-086-0009
(ii)	Site area	:	329,825.33 sq.m.
(iii)	Use	:	Other Commercial
(iv)	Plot ratio	:	< 0.50
(v)	Land Premium	:	RMB321,579,697

As advised by the Group, the property is a part of the above certificate record.

- (3) According to 2 Planning Permits for Construction Use of Land issued by the Zhongmu County Urban-Rural Planning Bureau, the construction site of the property with a total site area of approximately 424,692.23 sq.m. is in compliance with the urban planning requirements. The details are as follows:

Permit No.	Issue Date	Project Name	Site Area (sq.m.)
(2018)041	17 May 2018	Zhengzhou Haichang Ocean Park	329,825.33
(2017)068	17 October 2017	Zhengzhou Haichang Ocean Park	94,866.90
<b>Total</b>			<b>424,692.23</b>

As advised by the Group, the property is a part of the above certificate record.

- (4) According to 2 Planning Permits for Construction Works issued by the Zhongmu County Planning and Natural Resources Bureau, the construction works of the development with a total gross floor area of approximately 116,718.66 sq.m. are in compliance with the construction works requirements and have been approved. The details are as follows:

Permit No.	Issue Date	Project Name	Gross Floor Area (sq.m.)
(2021)001	06 January 2021	Haichang Ocean Park Phase I	78,243.59
(2018)071	30 October 2018	Zhengzhou Haichang Ocean Park Commercial Land (Phase I)	38,475.07
<b>Total</b>			<b>116,718.66</b>

As advised by the Group, the property is a part of the above certificate record.

- (5) According to Business Licence No. 91410122MA443C875U, Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. was established as a limited liability company with a registered capital of RMB669,930,000 for a valid operation period from 20 June 2017 to long term.
- (6) We have been provided with a legal opinion on the property prepared by the Company's PRC legal adviser, which contains, inter alia, the following information:
- The Real Estate Title Certificates of the property are valid, legal and enforceable under the PRC laws;
  - Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. is the legal land user of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
  - Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd. has the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property provided that where any of the property has been mortgaged, the Group has to discharge the mortgage or obtain the mortgagee's consent in advance;
  - All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (7) Jasmine Zhang, 2.5 years of experience in the valuation of properties in Zhengzhou, inspected the property on 14 September 2021.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS****(i) Directors and chief executive' interests**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

<b>Name of Director</b>	<b>Capacity/Nature of Interest</b>	<b>Number of Shares</b>	<b>Approximate Percentage of Total Issued Shares (Note 2)</b>
Mr. Qu Cheng (Note 1)	Interest in controlled corporations	1,811,848,524(L)	45.30%
	Beneficial owner	62,185,063(L)	1.55%
Mr. Wang Xuguang	Beneficial owner	8,000,000(L)	0.20%
Mr. Gao Jie	Beneficial owner	4,695,000(L)	0.12%

*Notes:*

1. These 1,811,848,524 Shares comprise:
  - (a) 1,684,092,524 Shares beneficially held by Haichang Group Limited, representing approximately 42.10% of the total issued share capital of the Company;
  - (b) 127,756,000 Shares beneficially held by Speedy Journey Investment Limited, representing approximately 3.19% of the total issued share capital of the Company; and
  - (c) The entire issued share capital of Haichang Group Limited and Speedy Journey Investment Limited are wholly-owned by Mr. Qu Cheng. Therefore, Mr. Qu Cheng is deemed to be interested in 1,811,848,524 Shares as disclosed above, representing approximately 45.30% of the total issued share capital of the Company.
2. This percentage has been compiled based on 4,000,000,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Save as disclosed below, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares, debentures or underlying shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

<b>Name of director</b>	<b>Names of companies which had such discloseable interest or short position</b>	<b>Position within such companies</b>
Qu Cheng	Haichang Group Limited	Director
Qu Cheng	Speedy Journey Investment Limited	Director
Li Hao	ORIX Corporation	Executive Director Deputy Head of East Asia Business Headquarters Managing Director of Greater China Group Director & President
Li Hao	ORIX (China) Investment Company Limited	Director & President

Name of director	Names of companies which had such discloseable interest or short position	Position within such companies
Li Hao	Mountain Tai Peak Apollo Investment Limited	Director
Li Hao	ORIX Asia Capital Limited	Director & President
Yuan Bing	Hony Group Management Limited	Director
Yuan Bing	Hony Capital Fund V GP Limited	Director

## (ii) Substantial shareholders' interest

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors or chief executive of the Company, no person other than a Director or chief executive of the Company has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10 per cent (10%) or more of the issued voting shares of any member of the Group or any option in respect of such securities:

Name	Nature of Interest	Number of Shares	Approximate Percentage of Total Issued Shares (Note 2)
Haichang Group Limited	Beneficial owner	1,684,092,524 (L)	42.10%
ORIX Corporation (Note 1)	Interest in a controlled corporation	593,384,000 (L) 200,000,000 (S)	14.83% 5.00%
ORIX (China) Investment Company Limited (Note 1)	Interest in a controlled corporation	393,384,000 (L)	9.83%
Mountain Tai Apollo Investment Limited (Note 1)	Beneficial owner	393,384,000 (L)	9.83%
ORIX Asia Capital Limited (Note 1)	Beneficial owner	200,000,000 (L) 200,000,000 (S)	5.00% 5.00%

(L) denotes a long position in the Shares

(S) denotes a short position in the Shares



*Notes:*

1. The number of Shares disclosed was based on the disclosure of interest notice filed on 28 January 2016 (the date of relevant event be 26 January 2016) received from ORIX Corporation. According to the filed notice:
  - (a) Mountain Tai Apollo Investment Limited holds 393,384,000 Shares. Mountain Tai Apollo Investment Limited is wholly-owned by ORIX (China) Investment Company Limited, which is in turn wholly owned by ORIX Corporation.
  - (b) ORIX Asia Capital Limited is wholly owned by ORIX Corporation. ORIX Asia Capital Limited was granted a put option to require Haichang Group Limited to purchase from it and granted a call option to purchase from it 200,000,000 Shares, representing approximately 5.00% of the total issued share capital of the Company, which had been lapsed on 1 February 2017.Accordingly, ORIX Corporation is deemed to be interested in the 393,384,000 Shares held by Mountain Tai Apollo Investment Limited and the call option and put option in relation to 200,000,000 Shares of ORIX Asia Capital Limited.
2. This percentage has been compiled based on 4,000,000,000 Shares in issue as at the date of this circular.

**3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS****(i) Interests in contracts**

As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group.

**(ii) Interests in assets**

None of the Directors or any proposed Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

**4. COMPETING INTERESTS**

Mr. Qu Naijie, a non-executive Director, and Mr. Qu Cheng, an executive Director, and their close associates engage in a diversified business portfolio including residential and commercial real estate developments in the PRC, as more fully described in the section headed "Relationship with Our Controlling Shareholders" of the Company's prospectus dated 28 February 2014.

The Company has entered into (i) a deed of non-competition dated 27 February 2014 with Mr. Qu Naijie and Haichang Group Limited; and (ii) a deed of non-competition dated 14 January 2020 with Mr. Qu Cheng, Haichang Group Limited and Speedy Journey Investment Limited pursuant to which Mr. Qu Naijie, Mr. Qu Cheng, and Haichang Group Limited have severally undertaken, inter alia, not to compete with the principal business of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors (not being the independent non-executive Directors) and their close associates are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

## 5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or proposed Directors had any existing or proposed service contract which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular:

- (a) the Agreement;
- (b) the Strategic Cooperation Agreement;
- (c) On 26 January 2021, a land use rights grant contract was entered into between Haichang (China) Investment (a member of the Company), Harbour City Group\* (上海港城開發(集團)有限公司) and Shanghai Natural Resources and Planning Bureau\* (上海市自然資源和規劃局) (a PRC government body) for the acquisition of land use rights of a parcel of land in Shanghai, the PRC. For more details, see the announcement “Discloseable Transaction – Acquisition of Land Use Rights in Shanghai” published by the Company on 26 January 2021;
- (d) on 10 November 2020, Dalian Haichang Jiade Real Estate Development Co., Ltd.\* (大連海昌嘉德置業發展有限公司) (a member of the Group, “**Haichang Jiade**”), Sanya Haiyue Jiade Real Estate Development Co., Ltd.\* (三亞海悅嘉德置業發展有限公司) (a member of the Group) and Resources and Planning Bureau of Sanya City\* (三亞市自然資源和規劃局) (a PRC government body, “**Resources and Planning Bureau of Sanya**”) entered into a supplemental contract to supplement a land use rights grant contract (the “**Sanya Land Use Rights Grant Contract**”) dated 13 October 2020 entered into between Haichang Jiada and Resources and Planning Bureau of Sanya for the acquisition of land use rights of a parcel of land located in Sanya. For more details, see the announcement “Major Transaction – Acquisition of Land Use Rights in Sanya” published by the Company on 27 September 2020 and the Circular “Major Transaction – Acquisition of Land Use Rights in Sanya” published by the Company on 17 December 2020;

- (e) on 30 October 2020, Dalian Haichang Travel Group Co., Ltd.\* (大連海昌旅遊集團有限公司) (a member of the Group), Chang'an International Trust Co., Ltd.\* (長安國際信託股份有限公司) and Dalian Haichang Jiayue Real Estate Development Co., Ltd.\* (大連海昌嘉悅置業發展有限公司) (a member of the Group) entered into the capital increase agreement (together with the cooperation agreement and the supervision agreement). For more details, see the announcement “Discloseable Transaction – Deemed Disposal of 95% Equity interest in a Wholly Owned Subsidiary” published by the Company on 6 November 2020;
- (f) the Sanya Land Use Rights Grant Contract;
- (g) on 25 September 2020, the Company executed a bid confirmation with Hainan South Auction Market Limited\* (海南南部拍賣市場有限公司) in relation to the auction for the Acquisition; and
- (h) on 14 July 2020, the Group has completed the issue of non-public corporate bonds in the aggregate principal amount of RMB200 million to professional investors with a coupon rate of 7.5% for a term of 3 years. All subscription monies have been received by the Company on 15 July 2020. For more details, see the announcement “Voluntary Announcement – Shanghai Haichang Tourism Group Co., Ltd. Issuance of Non-Public Corporate Bonds” published by the Company on 16 July 2020.

## 7. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

## 8. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Ernst & Young	Certified Public Accountants
Cushman & Wakefield Limited	Independent Property Valuer

As at the Latest Practicable Date, none of the above experts had any direct or indirect shareholdings in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group, or any interests, directly or indirectly, in any assets which had been acquired, disposed of or leased to or which were proposed to be acquired, disposed of or leased to the Group or any of their respective subsidiaries, respectively, since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its reports and references to its name in the form and context in which they appear.

## 9. DOCUMENTS ON DISPLAY

The following documents will be available for display on the Stock Exchange's website and the Company's website (<https://www.haichangoceanpark.com/>) from the date of this circular up to 14 days thereafter:

- (i) the unaudited financial information of the Disposal Group, the text of which is set out in Appendix II to this circular;
- (ii) the report from Ernst & Young in relation to the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (iii) the Valuation Report prepared by Cushman & Wakefield Limited as set out in Appendix IV to this circular;
- (iv) the Agreement;
- (v) the Strategic Cooperation Agreement; and
- (vi) the written consents referred to in the section headed "Qualifications and Consents of Experts" in this appendix.

## 10. GENERAL

- (i) The registered office of the Company is situated at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, its head office in the PRC is at 31st Floor, Building A, Foreshore Beach World Trade Centre Phase I, No. 4, Lane 255, Dongyu Road, Pudong New District, Shanghai, PRC and its principal place of business in Hong Kong is Room 804, 8/F., K11 Atelier, Victoria Dockside, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (ii) The Company's Hong Kong branch share registrar and transfer office is Tricor Services Limited which is situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iii) The company secretary of the Company is Ms. Kho Polien. Ms. Kho has over 10 years of experience in company secretarial field. She is an associate member of the Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators respectively.
- (iv) The English texts of this circular and proxy form shall prevail over the Chinese texts.

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## NOTICE OF EGM

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of Haichang Ocean Park Holdings Ltd. (the “**Company**”) will be held at Large Meeting Room, 31st Floor, Building A, Foreshore Beach World Trade Centre Phase 1, No. 4, Lane 255, Dongyu Road, Pudong New District, Shanghai, the PRC on Thursday, 9 December 2021 at 3:00 p.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT**

- (a) the conditional sale and purchase agreement (the “**Agreement**”) (a copy of which is tabled at the EGM, marked “A” and initialed by the chairman of the EGM for identification purpose) dated 13 October 2021 entered into among:
- (i) the Company,
  - (ii) Haichang Holdings (Hong Kong) Limited (an indirect wholly-owned subsidiary of the Company) (“**HKHC**”),
  - (iii) Dalian Haichang Travel Group Company Limited\* (大連海昌旅遊集團有限公司) (an indirect wholly-owned subsidiary of the Company) (“**DLHC**”),
  - (iv) Zhengzhou Haichang Polar Ocean Park Company Limited\* (鄭州海昌極地海洋公園有限公司) (an indirect wholly-owned subsidiary of the Company) (“**ZZHC**”, together with the Company, HKHC and DLHC, the “**Vendors**”),
  - (v) Haihe (Dalian) Cultural Tourism Development Management Company Limited\* (海合(大連)文化旅遊開發管理有限公司) (a wholly foreign-owned enterprise established in the PRC) (“**Dalian WFOE1**”),
  - (vi) Haibo (Dalian) Cultural Tourism Development Management Company Limited\* (海博(大連)文化旅遊開發管理有限公司) (a wholly foreign-owned enterprise established in the PRC) (“**Dalian WFOE2**”),

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## NOTICE OF EGM

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- (vii) Chengdu Polar Ocean Industrial Company Limited\* (成都極地海洋實業有限公司) (an indirect wholly-owned subsidiary of the Company) (the “**Chengdu Company**”),
- (viii) Tianjin Polar Travel Company Limited\* (天津極地旅遊有限公司) (an indirect wholly-owned subsidiary of the Company) (the “**Tianjin Company**”),
- (ix) Qingdao Polar Ocean World Company Limited\* (青島極地海洋世界有限公司) (an indirect wholly-owned subsidiary of the Company) (the “**Qingdao Company**”),
- (x) Wuhan Polar Ocean World Investment Company Limited\* (武漢極地海洋世界投資有限公司) (an indirect wholly-owned subsidiary of the Company) (the “**Wuhan Company**”, together with the Chengdu Company, the Tianjin Company and the Qingdao Company, the “**Four Theme Parks Companies**”),
- (xi) Zhengzhou Haichang Ocean Park Tourism Development Co., Ltd.\* (鄭州海昌海洋公園旅遊發展有限公司) (a direct wholly owned subsidiary of ZZHC) (the “**Zhengzhou Project Company**”), and
- (xii) Aquaman Hong Kong Limited (the “**Purchaser**”)

in relation to, among others, the disposal of 100% equity interests in each of the Four Theme Parks Companies and 66% equity interests in the Zhengzhou Project Company by the Vendors to the Purchaser, the details of which are set out in the paragraph headed “Letter from the Board – The Agreement” contained in the circular of the Company dated 22 November 2021 (the “**Circular**”) (a copy of which is tabled at the EGM, marked “B” and initialed by the chairman of the EGM for identification purpose), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

- (b) the strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) (a copy of which is tabled at the EGM, marked “C” and initialed by the chairman of the EGM for identification purpose) dated 13 October 2021 entered into between the Company and the Purchaser in relation to, among others, strengthening the cooperation of business activities between the Company and the Purchaser, the details of which are set out in the paragraph headed “Letter from the Board – The Strategic Cooperation Agreement” contained in the Circular, together with the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (c) the transitional service agreement (the “**Transitional Service Agreement**”) (a copy of which is tabled at the EGM, marked “D” and initialed by the chairman of the EGM for identification purpose) to be entered into among the Vendors, the Purchaser, the Four Theme Parks Companies and the Zhengzhou Project Company pursuant to which the Vendors will provide or cause to provide various transitional services to the Purchaser, the details of which are set out in the paragraph headed “Letter from the Board – The Transitional Service Agreement”) contained in the Circular, together with the transactions contemplated thereunder, be and are hereby approved and confirmed;

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## NOTICE OF EGM

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- (d) the shareholders' agreement (the "**Shareholders' Agreement**") (a copy of which is tabled at the EGM, marked "E" and initialed by the chairman of the EGM for identification purpose) to be entered into among ZZHC, the Zhengzhou Project Company and Dalian WFOE2 in relation to governing of matters of the Zhengzhou Project Company, the details of which are set out in the paragraph headed "Letter from the Board – The Shareholders' Agreement" contained in the Circular, together with the transactions contemplated thereunder, be and are hereby approved and confirmed;
- (e) the brand licensing agreement (the "**Brand Licensing Agreement**") (a copy of which is tabled at the EGM, marked "F" and initialed by the chairman of the EGM for identification purpose) to be entered into among the Vendors, the Company's wholly-owned subsidiaries and the Purchaser in relation to, among others, the authorisation for use of the Company's brands and dedicated intellectual property, the details of which are set out in the paragraph headed "Letter from the Board – The Brand Licensing Agreement" contained in the Circular, together with the transactions contemplated thereunder, be and are hereby approved and confirmed;
- (f) the escrow account agreement (the "**Escrow Account Agreement**") (a copy of which is tabled at the EGM, marked "G" and initialed by the chairman of the EGM for identification purpose) to be entered into among the Company, the Purchaser and the escrow bank in relation to setting up an escrow account for the settlement of part of the considerations under the Agreement, together with the transactions contemplated thereunder, be and are hereby approved and confirmed; and
- (g) any one director of the Company ("**Director**") be and is hereby authorised to take all such steps and perform all such acts, deeds and things and execute all other documents, instruments and agreements as he/they consider necessary or expedient to effect and implement the Agreement, the Strategic Cooperation Agreement, the Transitional Service Agreement, the Shareholders' Agreement, the Brand Licensing Agreement and the Escrow Account Agreement and all transactions contemplated thereunder.

By Order of the board of Directors of  
**Haichang Ocean Park Holdings Ltd.**  
**Wong Xuguang**

*Executive Director and Chief Executive Officer*

Shanghai, the People's Republic of China, 22 November 2021

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



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## NOTICE OF EGM

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*Notes:*

1. In order to determine the entitlement to attend and vote at the EGM, the register of members and transfer books of the Company will be closed from Monday, 6 December 2021 to Thursday, 9 December 2021 (both days inclusive), during which period no transfer of Shares will be registered. The record date for entitlement to attend and vote at the EGM is Thursday, 9 December 2021. In order to qualify to attend and vote at the EGM, all transfers of Shares, accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 3 December 2021.
2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder of the Company who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
5. Resolution sets out in this notice shall be decided by poll.

*As at the date of this notice, 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.*