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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that on 5 January 2022, the Company has adopted the Scheme in which the Eligible Persons will be entitled to participate. The purpose of the Scheme is (i) to recognise the contributions by the Selected Participants; (ii) to offer suitable incentives to attract and retain the talented Selected Participants who may be beneficial to the growth and development of the Group; and (iii) to align the interests of the Selected Participants directly to the Shareholders through the ownership of the Shares, dividends and other distributions paid on the Shares and/or the increase in the value of the Shares.

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and no Shareholders' approval is required for the adoption of the Scheme. However, where any grant of the Awarded Shares is proposed to be made to any person who is a Connected Person, or involving issuing any new Shares by the Company, the Company shall comply with the relevant provisions of the Listing Rules as may be applicable.

ADOPTION OF THE SCHEME

The Board is pleased to announce that on 5 January 2022, the Company has adopted the Scheme in which the Eligible Persons will be entitled to participate. A summary of the Scheme Rules is set out below:

Purpose

The purpose of the Scheme is (i) to recognise the contributions by the Selected Participants; (ii) to offer suitable incentives to attract and retain the talented Selected Participants who may be beneficial to the growth and development of the Group; and (iii) to align the interests of the Selected Participants directly to the Shareholders through the ownership of the Shares, dividends and other distributions paid on the Shares and/or the increase in the value of the Shares.

Duration

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of ten years commencing on the Adoption Date, provided that no further Awards will be granted after the expiry of the Award Period.

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The Board may at any time during the term of the Scheme:

- (i) direct and procure the Trustee to subscribe for new Shares either under the available general mandate of the Company on the relevant Grant Date or under a specific mandate approved or to be approved by the Shareholders at such range of subscription price as the Board may direct; and/or
- (ii) direct and procure the Trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) at such range of purchase price as the Board may direct or authorise,

in each case using funds of the Company subject to compliance with the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Listing Rules and all applicable laws from time to time, and to hold such new Shares or existing Shares (as the case may be) for the benefit of the Eligible Persons and for the satisfaction of the Awards granted or to be granted under the Scheme upon vesting.

Scheme Limit

The Company shall not make any further grant of the Award which will result in the number of Shares granted under the Scheme exceeding 10 per cent of the total number of the issued Shares as at the Adoption Date. For the avoidance of doubt, such maximum number is not a limit set for yearly basis but the maximum number of the Shares that may be awarded throughout the Award Period.

The maximum number of the Shares which may be awarded to a Selected Participant in the 12-month period up to each Grant Date shall not exceed one per cent of the total number of issued Shares on the relevant Grant Date.

Operation of the Scheme

Subject to terms and conditions of the Scheme and the requirements of the Listing Rules, the Board may, from time to time at its absolute discretion, select any Eligible Person to participate in the Scheme as a Selected Participant, make an offer to the Selected Participants and grant the Award Shares to such Selected Participants which are to be satisfied by (i) the new Shares to be subscribed by the Trustee under the Company's available general mandate on the relevant Grant Date or under a specific mandate approved or to be approved by the Shareholders; or (ii) the existing Shares received by the Trustee from any Shareholder or purchased by the Trustee in the open market (either on-market or off-market) as directed by the Board.

In determining the Selected Participants, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Selected Participants to the Group.

For the avoidance of doubt, any new Shares to be subscribed by the Trustee under the Scheme will be issued under the available general mandate in effect on the Grant Date. Only when the number of the new Shares to be subscribed exceeds the available general mandate will the Board seek a specific mandate to be approved by the Shareholders to cover those new Shares that fall outside of the available general mandate. As such, the new Shares to satisfy any Awards will be issued under the available general mandate approved by the Shareholders in effect at the time of the relevant Award, and/or a specific mandate approved or to be approved by the Shareholders for the relevant Award. The Shareholders would then be able to evaluate the relevant diluting effect before they vote in respect of the relevant mandate. In any event, the Company will comply with the announcement, Shareholders' approval and all other requirements (if and as applicable) to satisfy the Awards by the allotment, issue and subscription of new Shares or purchase or receipt of existing Shares (either on-market or off-market).

As at the date of this announcement, the Company does not have a detailed plan on the number of Shares and to what extent the Award Shares under the Scheme are to be satisfied by new Shares. As a result, the Company did not propose any annual limit for the issue of new Shares under the Scheme. If the Company decides to adopt any annual limit, the Company will (i) take into consideration of the principles set out in HKEx-LD40-2 and HKEx-LD40-3 when determining the annual limit, (ii) provide the Shareholders with details of the relevant annual limit, and (iii) seek approval from the Shareholders for each annual limit.

Vesting and lapse of the Awards

The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Awards to be vested. All of such vesting criteria and conditions (if any) and periods (including the Vesting Date) shall be set out in the relevant Award Letter issued to each Selected Participant.

For the purpose of vesting the Award to the Selected Participants and subject to the limitations and restrictions set out in the Scheme, on or before the tenth Business Day prior to any Vesting Date or proposed Vesting Date, the Company shall send to the relevant Selected Participant a Vesting Notice. The Company shall forward a copy of the Vesting Notice to the Trustee. Subject to the receipt by the Trustee of a copy of the Vesting Notice, the Board may, in its sole and absolute discretion, either (a) direct and procure the Trustee to transfer and release the relevant Award Shares to the relevant Selected Participant according to the Vesting Notice as soon as practicable on or after the Vesting Date or the proposed Vesting Date; or (b) where it is in the reasonable opinion of the Company not practicable for the Selected Participant to receive the Award in Shares, direct the Trustee to sell such Award Shares according to the terms and pay the Selected Participant the proceeds arising from such sale in cash as set out in the Vesting Notice.

In the event a Selected Participant ceases to be an Eligible Person at any time prior to the Vesting Date by reason of (i) resignation of the Selected Participant's employment; and (ii) termination of the Selected Participant's employment or early termination of the contractual engagement with the Group by reasons of misconduct or otherwise pursuant to law or employment or engagement contract, the unvested Award Shares will be forfeited on the effective date of such Selected Participant ceasing to be an Eligible Person.

In the event a Selected Participant ceases to be an Eligible Person at any time prior to the Vesting Date by reason of (i) retirement of the Selected Participant which is earlier than his/her normal retirement age as specified in his/her terms of employment with the Group; (ii) retirement of the Selected Participant at his/her normal retirement age as specified in his/her terms of employment with the Group; (iii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy; and (iv) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged and the Selected Participant will continue to be employed or contractually engaged by other member of the Group, the unvested Award Shares will continue to vest according to original schedules.

In the event a Selected Participant ceases to be an Eligible Person at any time prior to the Vesting Date by reason of (i) winding-up of any member of the Group in which the Selected Participant is employed or is contractually engaged and the Selected Participant will no longer be employed or contractually engaged by any member of the Group; (ii) cessation of the member of the Group in which the Selected Participant is employed or is contractually engaged as a member of the Group; (iii) death of the Selected Participant; and (iv) termination of the Selected Participant's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement, the unvested Award Shares will be vested immediately.

In the event a Selected Participant ceases to be an Eligible Person at any time prior to the Vesting Date by reason of (i) end of the term of the Selected Participant's contract for provision of services, goods or otherwise with the Group; and (ii) end of the term of the contract of the Selected Participant's engagement with the Group as contractual staff, the unvested Award Shares will be forfeited on the end day of the Selected Participant's relevant contract with the Group.

If there is an event of change in control of the Company, whether by way of merger or a privatisation of the Company by way of a scheme of arrangement or otherwise, the Board shall have the discretion to decide whether the outstanding Awards shall vest or lapse on the date when such change of control event becomes or is declared unconditional.

If there is an event of change in control of the Company by way of offer, the Board shall have the discretion to decide whether the outstanding Awards shall vest or lapse on the date when such offer becomes or is declared unconditional.

For the purpose of the Scheme, "control" shall have the meaning as specified in the Codes on Takeovers and Mergers and Share Buy-backs from time to time.

Rights of Selected Participants before vesting

A Selected Participant shall not have any contingent interest in the Award Shares which are referable to him/her until such Award Shares have been vested as Shares in accordance with the Scheme Rules. The Trustee shall hold the Award Shares awarded until they are vested to the relevant Selected Participants in accordance with the terms of the Award.

Restrictions

No Offer or grant of the Award shall be made to the Selected Participants, no payment shall be made to the Trustee and no directions or recommendation to acquire Shares shall be given to the Trustee in the following circumstances:

- i) after an inside information has come to the knowledge of the Company, until such inside information has been published in accordance with the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
- ii) on any day on which the Company's financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the Company's half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules; or
- iii) in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

No Assignment of the Award Shares

Any Award Shares granted which has not vested, shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award or the underlying Award Shares, or enter into any agreement to do so.

Voting Rights

Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares and any scrip Shares).

The Board is of the view that the non-exercise of the voting rights by the Trustee would help avoid potential misperception of the Company's influence over the Trustee's decision in casting the votes in respect of the Shares held under the Trust at general meetings.

Termination

The Scheme shall terminate on the earlier of: (i) the expiry of the Award Period; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Scheme.

Upon termination of the Scheme, all Returned Shares and all such non-cash income remaining in the Trust shall be sold by the Trustee, within 20 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Scheme (or such longer period as the Board may otherwise determine). Residual Cash, net proceeds of such sale and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than the proceeds arising from the sale of such Shares.)

LISTING RULES IMPLICATION

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules and no Shareholders' approval is required for the adoption of the Scheme. However, where any grant of the Awarded Shares is proposed to be made to any person who is a Connected Person, or involving issuing any new Shares by the Company, the Company shall comply with the relevant provisions of the Listing Rules as may be applicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Adoption Date”	5 January 2022, being the date on which the Board adopted the Scheme
“Award”	an award of the Award Shares granted by the Board to the Selected Participants as the Board may determine in accordance with the terms of the Scheme Rules
“Award Letter”	a letter issued to each Selected Participant in such form as the Board may from time to time determine, specifying the Grant Date, the number of the Award Shares underlying the Award, the vesting criteria and conditions, and the Vesting Dates and such other details as the Board may consider necessary
“Award Period”	the period of ten years commencing on the Adoption Date
“Award Shares”	the Shares granted to a Selected Participant in an Award
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Haichang Ocean Park Holdings Ltd. (海昌海洋公園控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock Code: 2255)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Contributed Amount”	such amount to be contributed by the Company to the Trustee at any time as determined by the Board in its absolute discretion for the Trustee to apply the same towards the purchase or subscription of the Shares for the purpose of the Scheme
“Director(s)”	the director(s) of the Company

“Eligible Person”	any individual who is an employee, senior management or director (including executive Directors, non-executive Directors and independent non-executive Directors) of the Company or any of its Subsidiaries, provided that no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual and therefore be excluded from the term Eligible Person, shall be entitled to participate in the Scheme
“Grant Date”	the date (which shall be a Business Day) on which the grant of an Award is made to a Selected Participant, being the date of the relevant Award Letter
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the offer of the grant of an Award made to Selected Participant in accordance with the terms of the Scheme Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Residual Cash”	total amount of cash held by the Trustee for the purpose of the Scheme, which shall include without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) any cash income or dividends derived from Shares held under the Trust; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong, which has not been applied in the acquisition of any Shares
“Returned Shares”	such Award Shares which are not vested and/or are forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares pursuant to the terms of the Scheme Rules
“Scheme”	the share award scheme adopted by the Company in accordance with the Scheme Rules on the Adoption Date
“Scheme Rules”	the rules relating to the Scheme, in its present form or as amended from time to time in accordance with the provisions thereof

“Selected Participant(s)”	any Eligible Person(s) approved by the Board for participation in the Scheme on the relevant Grant Date pursuant to the Scheme Rules
“Shares”	ordinary share(s) in the share capital of the Company, with a nominal value of US\$0.0001 or, if there has been any subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the ordinary share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Trust”	the trust constituted by the Trust Deed to service the Scheme
“Trust Deed”	a trust deed dated 5 January 2022 entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time)
“Trustee”	Vision Finance Group Limited, the trustee appointed by the Company for the purpose of the Trust, an independent third party which is not connected with the Company or the Company’s Connected Persons
“Vesting Date(s)”	the date(s), as determined from time to time by the Board, on which the Award is to vest in the relevant Selected Participant as set out in the relevant Award Letter pursuant to the Scheme but in any event before the termination of the Scheme
“Vesting Notice”	a vesting notice sent by the Company to the Selected Participant specifying the number of Award Shares to be vested on the Vesting Date or proposed Vesting Date

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

Shanghai, the PRC, 5 January 2022

As at the date of this announcement, the executive Directors are Mr. Qu Naijie, Mr. Qu Cheng and Mr. Zhang Jianbin; the non-executive Directors are Mr. Wang Xuguang, Mr. Li Hao and Mr. Yuan Bing; and the independent non-executive Directors are Mr. Chen Guohui, Mr. Wang Jun and Ms. Zhang Meng.