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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Manager



On 2 June 2022 (before trading hours), the Company and the Placing Manager entered into the Placing Agreement, pursuant to which the Placing Manager, agreed to procure, on a best effort basis, placee(s) to subscribe for an aggregate of 57,001,000 Placing Shares at a price of HK\$5.50 per Placing Share. The Placing Shares represent approximately 1.43% of the existing number of issued shares of the Company as at the date of this announcement and approximately 1.41% of the number of issued shares of the Company as enlarged by the Placing. The gross and net proceeds from the Placing are expected to be approximately HK\$313.51 million and HK\$309.79 million, respectively.

The net proceeds from the Placing are intended to be used by the Group as to (i) approximately 30% for the development and construction of a planned large-scale marine cultural theme park of the Company in Zhengzhou, (ii) approximately 30% for the further expansion in the asset-light management output business and (iii) approximately 40% for the working capital of the Group.

Completion of the Placing is subject to the Placing Agreement not being terminated in accordance with the terms thereof and the fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

PLACING AGREEMENT

Date: 2 June 2022 (before trading hours)

Parties: (1) the Company; and
(2) the Placing Manager, i.e. CICC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Manager is independent of and not connected with the Company and the connected persons of the Company.

Number of Placing Shares

The number of Placing Shares is 57,001,000, representing approximately 1.43% of the existing number of issued shares of the Company as at the date of this announcement and approximately 1.41% of the number of issued shares as enlarged by the Placing assuming that there is no other changes to the number of issued shares of the Company. Based on the par value of US\$0.0001 per Share, the aggregate nominal value of the Placing Shares is US\$5,700.10.

Placing Price

The Placing Price is HK\$5.50 per Placing Share and represents:

- (i) a discount of approximately 19.6% to the closing price of HK\$6.84 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 15.4% to the average closing price of approximately HK\$6.504 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The net Placing Price (after deducting related costs and expenses of the Placing to be borne by the Company, including the Placing Manager's commission) is approximately HK\$5.43 per Placing Share.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Manager after taking into account the recent market price of the Shares and the current market conditions.

The Directors (including the independent non-executive Directors) consider the Placing Price to be fair and reasonable under the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will, on allotment and issue, be free from all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on a record date which falls on or after the date of issue of the Placing Shares. The Placing Shares will rank pari passu in all respects with other existing Shares upon issuance.

Placee(s)

The Placing Shares will be placed by the Placing Manager to independent professional, institutional and/or other investors on a best effort basis. The choice of placee(s) for the Placing Shares shall be determined solely by the Placing Manager, subject to the requirements of the Listing Rules. The Placing Manager shall use its reasonable endeavours based on information available to the Placing Manager, information provided by the Company and confirmations from the placee(s) procured by the Placing Manager, to ensure that the placee procured by it is a third party (i) independent of, and not acting in concert with, the Company and its associates and (ii) independent of and not connected with the connected persons of the Company.

As at the date of this announcement, the Placing Manager has informed the Company that a placee, Capital Research Global Investors (“**CRGI**”), on behalf of certain funds and/or accounts, has agreed to subscribe for 57,001,000 Placing Shares in the aggregate.

CRGI is an equity investment division of Capital Research and Management Company, a U.S.-based investment manager authorised and regulated by U.S. Securities and Exchange Commission. Capital Research and Management Company is a wholly-owned subsidiary of The Capital Group Companies, Inc.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of CRGI and its ultimate beneficial owners is not a connected person of the Company. Immediately after completion of the Placing, CRGI will not become a substantial Shareholder.

General mandate to issue the Placing Shares

The Placing Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed at the annual general meeting of the Company held on 10 June 2021. Pursuant to such mandate, the Directors were granted authority to issue up to 800,000,000 new Shares, representing 20% of the number of issued Shares as at 10 June 2021.

Since the grant of the general mandate on 10 June 2021 and prior to the Placing, the Directors have not exercised their power to allot and issue any new Shares pursuant to such general mandate. Accordingly, the issue of the Placing Shares will fall within the limit of the general mandate and will not be subject to approval by the Shareholders.

Conditions of the Placing

Completion of the Placing is conditional upon the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares under the Placing Agreement);
- (ii) the representations, warranties and undertakings made by the Company pursuant to the Placing Agreement being true, accurate, complete in all material respects and not misleading as of the date of the Placing Agreement and the Closing Date;
- (iii) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date;

- (iv) the Placing Manager having received on the Closing Date an opinion from the Hong Kong legal counsel for the Company, relating to the matters set forth in the Placing Agreement and such other matters as the Placing Manager shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Manager;
- (v) the Placing Manager having received on the Closing Date an opinion of Cayman Islands counsel for the Company, such opinion to be in form and substance reasonably satisfactory to the Placing Manager;
- (vi) the Placing Manager having received on the Closing Date an opinion of U.S. counsel to the Placing Manager, to the effect that the offer and sale of the Placing Shares by the Placing Manager as set forth in the Placing Agreement are not required to be registered under the Securities Act, and such other matters as the Placing Manager shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Manager; and
- (vii) the Placing Manager having received on the Closing Date a lock-up undertaking covering a period of not more than 90 days after the Closing Date from the controlling shareholders (within the meaning of the Listing Rules) of the Company to be in form and substance reasonably satisfactory to the Placing Manager.

If the above conditions are not fulfilled (or waived, in respect of (iii) to (vii) above only) at or prior to 8:00 a.m. (Hong Kong time) on 14 June 2022 (or such other time and date as the parties to the Placing Agreement may agree in writing), the Placing Manager and the Company shall have no obligations or liabilities to each other under the Placing and neither the Company nor the Placing Manager shall have any claim against the other for any costs, damages, compensation or otherwise arising under the Placing Agreement save for antecedent breaches.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

Lock-up undertakings

Save for (a) the allotment and issue of the Placing Shares in accordance with provisions of the Placing Agreement, (b) (i) the grant of share award(s) under the share award scheme adopted by the Company on 5 January 2022, (ii) the grant of share option(s) under the share option scheme adopted by the Company on 23 February 2014; (iii) the grant of share option(s) under another share option scheme to be adopted for the benefits of the employees of the Company and its subsidiaries that is compliant with Chapter 17 of the Listing Rules and for which the shares to be issued pursuant thereto shall not exceed 1% of the total share capital of the Company at the time of the granting of the options at a price not lower than the Placing Price, or any issue of shares pursuant to the exercise of any options or awards granted or to be granted under such schemes referred to in (i), (ii) and (iii) above, the Company undertakes to the Placing Manager that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any person acting on its behalf will, and the Company will procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf will, without the prior consent of the Placing Manager, (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (whether by actual disposition or effective economic disposition or swap due to or otherwise by way of cash settlement or otherwise), or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, in each case, without first having obtained the written consent of the Placing Manager.

Termination of the Placing

Notwithstanding anything contained in the Placing Agreement, if at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (i) there develops, occurs or comes into force:
 - (A) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Manager is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (B) any event, or series of events beyond the control of the Placing Manager (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, aircraft collision, severe transportation disruption, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) in or affecting Hong Kong, the PRC, the Cayman Islands, the United Kingdom, the European Union (or any member thereof) or the U.S. (the “**Relevant Jurisdictions**”), or the declaration by any of the Relevant Jurisdictions of war or a state of emergency or calamity or crisis; or
 - (C) any change or development in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Placing Manager is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (D) any change or development in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Placing Manager is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (E) any suspension or limitation of dealings in the Shares during the Placing Period whatsoever (other than as a result of the Placing); or
 - (F) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
 - (G) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any Director or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or
- (ii) (A) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement (or, in the case of any such representations, warranties and undertakings which are not qualified by materiality, any breach of any of such representations, warranties and undertakings in any material respect) comes to the knowledge of the Placing Manager; (B) any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion of the Placing on the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations, warranties and undertakings set out in the Placing Agreement untrue or incorrect; or (C) there has been a breach of, or failure to perform, any other provision of the Placing Agreement in any material respect on the part of the Company; or
- (iii) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole, or any further outbreak or escalation of the coronavirus disease 2019, which in the reasonable opinion of the Placing Manager is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

then and in any such case, the Placing Manager may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date.

Completion of the Placing

The Placing will be completed on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Company and the Placing Manager may agree in writing.

Completion of the Placing is subject to the Placing Agreement not being terminated in accordance with the terms thereof and the fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Company.

EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after completion of the Placing are and will be as follows (assuming there will be no other changes in the shareholding structure of the Company from the date of this announcement up to completion of the Placing):

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing	
	Number of shares	Approximate percentage (%)	Number of shares	Approximate percentage (%)
<i>Directors and substantial Shareholders</i>				
Zeqiao Holdings Limited (Formerly known as Haichang Group Limited) ^(Note)	1,712,721,524	42.82	1,712,721,524	42.22
Speedy Journey Investment Limited ^(Note)	127,756,000	3.19	127,756,000	3.15
Mr. Qu Cheng	63,890,296	1.60	63,890,296	1.57
Mr. Wang Xuguang	8,400,000	0.21	8,400,000	0.21
Mr. Zhang Jianbin	6,553,308	0.16	6,553,308	0.16
Sub-total	<u>1,919,321,128</u>	<u>47.98</u>	<u>1,919,321,128</u>	<u>47.31</u>
<i>Placee</i>	–	–	57,001,000	1.41
<i>Other public Shareholders</i>	<u>2,080,678,872</u>	<u>52.02</u>	<u>2,080,678,872</u>	<u>51.29</u>
Total	<u><u>4,000,000,000</u></u>	<u><u>100.00</u></u>	<u><u>4,057,001,000</u></u>	<u><u>100.00</u></u>

Note:

The entire issued share capital of Zeqiao Holdings Limited and Speedy Journey Investment Limited are wholly-owned by Mr. Qu Cheng, an executive Director. Therefore, Mr. Qu Cheng is deemed to be interested in 1,712,721,524 Shares owned by Zeqiao Holdings Limited and 127,756,000 Shares owned by Speedy Journey Investment Limited pursuant to the SFO.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The gross proceeds from the Placing will be approximately HK\$313.51 million and the net proceeds after deducting related costs and expenses of the Placing to be borne by the Company, including the Placing Manager's commission is expected to be approximately HK\$309.79 million.

The Company intends to apply the net proceeds from the Placing as to (i) approximately 30% for the development and construction of a planned large-scale marine cultural theme park of the Company in Zhengzhou, (ii) approximately 30% for the further expansion in the asset-light management output business and (iii) approximately 40% for the working capital of the Group.

The Directors consider that the Placing represents a good opportunity to raise additional funds to finance the expansion plan of the Group. The Board considers that the terms of the Placing Agreement are normal commercial terms and the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES DURING PAST TWELVE MONTHS

During the past twelve months immediately before the date of this announcement, the Company has not conducted any equity fund raising activity.

INFORMATION ON THE GROUP

The Group is a leading marine-life theme park developer and operator in the PRC which offers a comprehensive tourism and leisure experience to visitors.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	board of the Directors
“Business Day”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“CICC”	China International Capital Corporation Hong Kong Securities Limited
“Closing Date”	the Business Day after the date on which the conditions under the section headed “Conditions of the Placing” of this announcement are fulfilled (or waived, as the case maybe), which is expected to be 10 June 2022, but in any event no later than 14 June 2022, or such other date as the Company and the Placing Manager may agree in writing
“Company”	Haichang Oceanpark 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 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
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	1 June 2022, being the last full trading day immediately prior to the execution of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placement of the Placing Shares at the Placing Price to professional, institutional and other investors procured by the Placing Manager subject to the terms and conditions of the Placing Agreement
“Placing Manager”	CICC

“Placing Agreement”	the placing agreement dated 2 June 2022 entered into between the Company and the Placing Manager in respect of the Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Manager may agree in writing)
“Placing Price”	HK\$5.50 per Placing Share
“Placing Shares”	57,001,000 new Shares to be issued by the Company pursuant to the Placing Agreement, and each, a “Placing Share”
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Securities Act”	the U.S. Securities Act of 1933, as amended
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force, as amended, supplemented or modified from time to time
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the U.S.
“%”	Per cent.

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

Shanghai, PRC, 2 June 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.