

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR HISTORY

History of Our Business

Our Company was incorporated in the Cayman Islands on November 21, 2011 and as a result of the Reorganization set out below, it became the ultimate holding company of our Group with the business conducted through our PRC incorporated operating subsidiaries held through Haichang China. Our Group was founded by our founder, Controlling Shareholder and non-executive Director, Qu Naijie. Qu Naijie entered into the theme park business in the PRC in 2001, funded mainly by his personal capital and subsequently opened our first theme park, Dalian Laohutan Ocean Park (大連老虎灘海洋公園), in Dalian, in 2002.

Qu Naijie developed the Dalian Laohutan Ocean Park in Dalian, which since June 2007 has been recognized as a 5A-rated tourist attraction by CNTA and had driven the development of the tourist attractions development industry in Dalian. Following the success of the Dalian Laohutan Ocean Park, he further developed seven different types of theme parks across the PRC over the next decade.

History and Development

At the time of incorporation, Dalian Laohutan was held as to 41.7%, 43.1% and 15.2% by Hutun Park, Sea Rich Oil and Haichang Group Co respectively.

As of the Latest Practicable Date, we operated six theme parks and in the process of acquiring two more theme parks in the PRC. The following is a summary of our Group's key business development milestones:

Year	Event
2001	<ul style="list-style-type: none">Dalian Laohutan was incorporated and our business commenced.
2002	<ul style="list-style-type: none">Qingdao Polar was incorporated as our operating subsidiary for Qingdao Polar Ocean World (青島極地海洋世界) in Qingdao, Shandong Province.Dalian Laohutan Ocean Park (大連老虎灘海洋公園) opened for business.
2003	<ul style="list-style-type: none">Chengdu Polar was incorporated as our operating subsidiary for Chengdu Polar Ocean World (成都極地海洋世界) in Chengdu, Sichuan Province.
2004	<ul style="list-style-type: none">Wuhan Polar was incorporated as our operating subsidiary for Wuhan Polar Ocean World (武漢極地海洋世界) in Wuhan, Hubei Province.
2005	<ul style="list-style-type: none">Yantai Fishermen was incorporated as our operating subsidiary for Whale Shark Aquarium (煙台鯨鯊館) and Yantai Yudaishan Hot Spring Resort (煙台溫泉館) in Yantai, Shandong Province.
2006	<ul style="list-style-type: none">Qingdao Polar Ocean World (青島極地海洋世界) opened for business.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Event
2007	<ul style="list-style-type: none"> Tianjin Polar was incorporated as our operating subsidiary for Tianjin Polar Ocean World (天津極地海洋世界) in Tianjin.
2009	<ul style="list-style-type: none"> Investment by ORIX China in Haichang Enterprise Development.
2010	<ul style="list-style-type: none"> Chengdu Polar Ocean World (成都極地海洋世界) opened for business. Tianjin Polar Ocean World (天津極地海洋世界) opened for business.
2011	<ul style="list-style-type: none"> As part of the Reorganization, acquisitions of Yantai Fishermen, Tianjin Polar, Chengdu Polar and Wuhan Polar by Haichang Travel from Haichang Real Estate. Yantai Whale Shark Aquarium (煙台鯨鯊館) opened for business. Wuhan Polar Ocean World (武漢極地海洋世界) opened for business.
2012	<ul style="list-style-type: none"> Pre-IPO investments by Oriental Camellia and Time Dynasty.
2013	<ul style="list-style-type: none"> Entering into an equity transfer agreement for the acquisition of 100% equity interests of Dalian Haichang Discoveryland. Entering into an equity transfer agreement for the acquisition of 100% equity interests of Chongqing Haichang Caribbean. Sanya Haichang was incorporated as our operating subsidiary for Sanya Haitang Bay Dream World (三亞海棠灣夢幻不夜城) in Sanya.
2014	<ul style="list-style-type: none"> Acquiring 100% equity interests of Shanghai Haichang.

Group Structure during Our Track Record Period up to the Reorganization

As of January 1, 2010, the start of our Track Record Period, we operated six theme parks, which were held by our subsidiaries.

We describe below the changes in the equity capital of our subsidiaries during the Track Record Period and up to the start of our Reorganization in 2011.

(1) *Dalian Laohutan*

Dalian Laohutan is our operating subsidiary for Dalian Laohutan Ocean Park (大連老虎灘海洋公園) in Dalian, Liaoning Province. Dalian Laohutan was established in February 2001 with an initial registered capital of US\$29,000,000, held by Hutan Park, Sea Rich Oil and Haichang Group Co as to 41.7%, 43.1% and 15.2% respectively at the time of incorporation.

As of January 1, 2010, Dalian Laohutan was held by Hutan Park, Sea Rich Oil and Haichang Group Co as to 41.7%, 43.1% and 15.2% respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

In May 2010, Sea Rich Oil transferred its 43.1% equity interests in Dalian Laohutan to Haichang Travel for a consideration of US\$12,500,000. In the same month, Haichang Group Co transferred its 15.2% equity interests in Dalian Laohutan to Haichang Travel for a consideration of US\$4,400,000. Upon completion of the equity transfer, Dalian Laohutan was held by Hutun Park and Haichang Travel as to 41.7% and 58.3% respectively.

The consideration of each of the transfers above was based on the then registered capital of Dalian Laohutan.

As of the Latest Practicable Date, the registered capital of Dalian Laohutan was fully paid up.

(2) Dalian Friday Avenue

Dalian Friday Avenue was established in May 2003 with an initial registered capital of RMB30,000,000, held by Qu Naijie and Li Degui (李德貴), who is an employee of Haichang Group Co, in the proportion of 80% and 20% respectively. Li Degui held such shares as the nominee for Qu Naijie until July 7, 2008.

As of January 1, 2010, Dalian Friday Avenue was 100% held by Haichang Group Co.

In June 2010, Haichang Group Co transferred its entire equity interests in Dalian Friday Avenue to Haichang Travel for a consideration of RMB30,000,000, which was based on the then registered capital of Dalian Friday Avenue. Upon completion of the equity transfer, Dalian Friday Avenue was 100% held by Haichang Travel.

As of the Latest Practicable Date, the registered capital of Dalian Friday Avenue was fully paid up.

(3) Qingdao Polar

Qingdao Polar is our operating subsidiary for Qingdao Polar Ocean World (青島極地海洋世界) in Qingdao, Shandong Province. Qingdao Polar was established in September 2002 with an initial registered capital of US\$14,000,000, held by Haichang Group Co and Sea Rich Oil as to 28% and 72% respectively at the time of incorporation. Qingdao Polar increased its registered capital from US\$14,000,000 to US\$29,800,000 in July 2003.

As of January 1, 2010, Qingdao Polar was 100% held by Haichang Enterprise Development.

In July 2010, Haichang Enterprise Development transferred its entire equity interests in Qingdao Polar to Haichang Travel for a consideration of RMB246,148,000, which was based on the then registered capital of Qingdao Polar. Upon completion of the equity transfer, Qingdao Polar was 100% held by Haichang Travel.

As of the Latest Practicable Date, the registered capital of Qingdao Polar was fully paid up.

(4) Yantai Fishermen

Yantai Fishermen is our operating subsidiary for Yantai Whale Shark Aquarium (煙台鯨鯊館) and Yantai Yudaishan Hot Spring Resort (煙台溫泉館) in Yantai, Shandong Province. Yantai Fishermen was established in March 2005 with an initial registered capital of RMB10,000,000, held by Diao Xiuping (刁秀平) and Gong Lin (貢琳) as to 50% and 50% respectively at the time of

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

incorporation. Gong Lin and Diao Xiuping are currently employees of Haichang Group Co. They held such shares as nominees for Qu Naijie until November 29, 2007. Yantai Fishermen increased its registered capital from RMB10,000,000 to RMB30,000,000 in April 2008.

As of January 1, 2010, Yantai Fishermen was 100% held by Haichang Real Estate.

In November 2011, Haichang Real Estate transferred its entire interests in Yantai Fisherman to Haichang Travel, which was part of Phase 1 of the Reorganization as set out in the paragraph headed "Our Reorganization – Phase 1 of the Reorganization" below.

As of the Latest Practicable Date, the registered capital of Yantai Fisherman was fully paid up.

(5) Tianjin Polar

Tianjin Polar is our operating subsidiary for Tianjin Polar Ocean World (天津極地海洋世界) in Tianjin. Tianjin Polar was established in September 2007 with an initial registered capital of US\$29,800,000, held by Haichang Group Co and Haichang Pole Aquarium HK as to 50.1% and 49.9% respectively at the time of incorporation.

As of January 1, 2010, Tianjin Polar was held by Haichang Group Co and Haichang Land HK as to 64.53% and 35.47% respectively.

In June 2010, Haichang Land HK and Haichang Group Co transferred their entire interests in Tianjin Polar to Haichang Real Estate for considerations of US\$10,570,000 and US\$19,230,000 respectively, which were based on the then registered capital of Tianjin Polar. Upon completion of the equity transfer, Tianjin Polar was 100% held by Haichang Real Estate.

In February 2012, Haichang Real Estate transferred its entire interests in Tianjin Polar to Haichang Travel, which was part of Phase 1 of the Reorganization as set out in the paragraph headed "Our Reorganization – Phase 1 of the Reorganization" below.

As of the Latest Practicable Date, the registered capital of Tianjin Polar was fully paid up.

(6) Chengdu Polar

Chengdu Polar is our operating subsidiary for Chengdu Polar Ocean World (成都極地海洋世界) in Chengdu, Sichuan Province. Chengdu Polar was established in December 2003 with an initial registered capital of US\$5,000,000, held by Haichang Housing and Sea Rich Oil as to 75% and 25% respectively at the time of incorporation. Chengdu Polar decreased its registered capital from US\$5,000,000 to US\$3,750,000 in June 2006.

As of January 1, 2010, Chengdu Polar was 100% held by Haichang Real Estate.

In November 2011, Haichang Real Estate transferred its entire interests in Chengdu Polar to Haichang Travel, which was part of Phase 1 of the Reorganization as set out in the paragraph headed "Our Reorganization – Phase 1 of the Reorganization" below.

As of the Latest Practicable Date, the registered capital of Chengdu Polar was fully paid up.

(7) Wuhan Polar

Wuhan Polar is our operating subsidiary for Wuhan Polar Ocean World (武漢極地海洋世界) in Wuhan, Hubei Province. Wuhan Polar was established in October 2004 with an initial registered capital of RMB10,000,000, held by Qu Naijie as to 60% and Qu Naiqiang as to 40% (who held such

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

shares as the nominee for Qu Naijie) respectively at the time of incorporation. Wuhan Polar increased its registered capital from RMB10,000,000 to RMB60,000,000 in October 2006, which was held by Haichang Group Co., as to 83.33%, Qu Naijie as to 10%, Qu Naiqiang as to 4.67% (who held such shares as the nominee for Qu Naijie until November 6, 2007) and Wang Kejian (王克建) as to 2.0%.

As of January 1, 2010, Wuhan Polar was 100% held by Haichang Real Estate.

In October 2011, Haichang Real Estate transferred its entire interests in Wuhan Polar to Haichang Travel, which was part of Phase 1 of the Reorganization as set out in the paragraph headed “Our Reorganization – Phase 1 of the Reorganization” below.

In October 2013, Wuhan Polar further increased its registered capital from RMB60,000,000 to RMB460,000,000.

As of the Latest Practicable Date, the registered capital of Wuhan Polar was fully paid up.

(8) Haichang China

Haichang China was established in December 1996 under the name of Dalian Haichang Garden Co., Ltd. in the PRC with an initial registered capital of RMB95,000,000, held by Sea Rich Oil and Haichang Housing as to 60% and 40% respectively at the time of incorporation.

As of January 1, 2010, Haichang China was held by Sea Rich Oil and Haichang Housing as to 60% and 40% respectively.

In June 2012, Haichang Housing transferred its entire interests in Haichang China to Sea Rich Oil for a consideration of RMB38,000,000, which was based on the then registered capital of Haichang China. Upon completion of the equity transfer, Haichang China was 100% held by Sea Rich Oil. In July 2012, Haichang China increased its registered capital from RMB95,000,000 to RMB102,000,000. In the same month, Haichang China became wholly owned by Haichang Holdings HK, which was part of Phase 4 of the Reorganization as set out in the paragraph headed “Our Reorganization – Phase 4 of the Reorganization” below. Also in the same month, the directors of Haichang China passed a resolution to change the company name from “Dalian Haichang Garden Co., Ltd.” to “Haichang (China) Co., Ltd.”

In October 2012, Haichang China further increased its registered capital from RMB102,000,000 to RMB190,670,000.

As of the Latest Practicable Date, the registered capital of Haichang China was fully paid up.

(9) Haichang Travel

Haichang Travel was established in January 2010 under the name of Dalian Haichang Travel Development Co., Ltd. in the PRC with an initial registered capital of RMB10,000,000, held 100% by Haichang Enterprise Development at the time of incorporation.

As of January 1, 2010, Haichang Travel was held 100% by Haichang Enterprise Development.

In August 2012, Haichang Travel became wholly owned by Haichang China, which was part of Phase 4 of the Reorganization as set out in the paragraph headed “Our Reorganization – Phase 4 of the Reorganization” below.

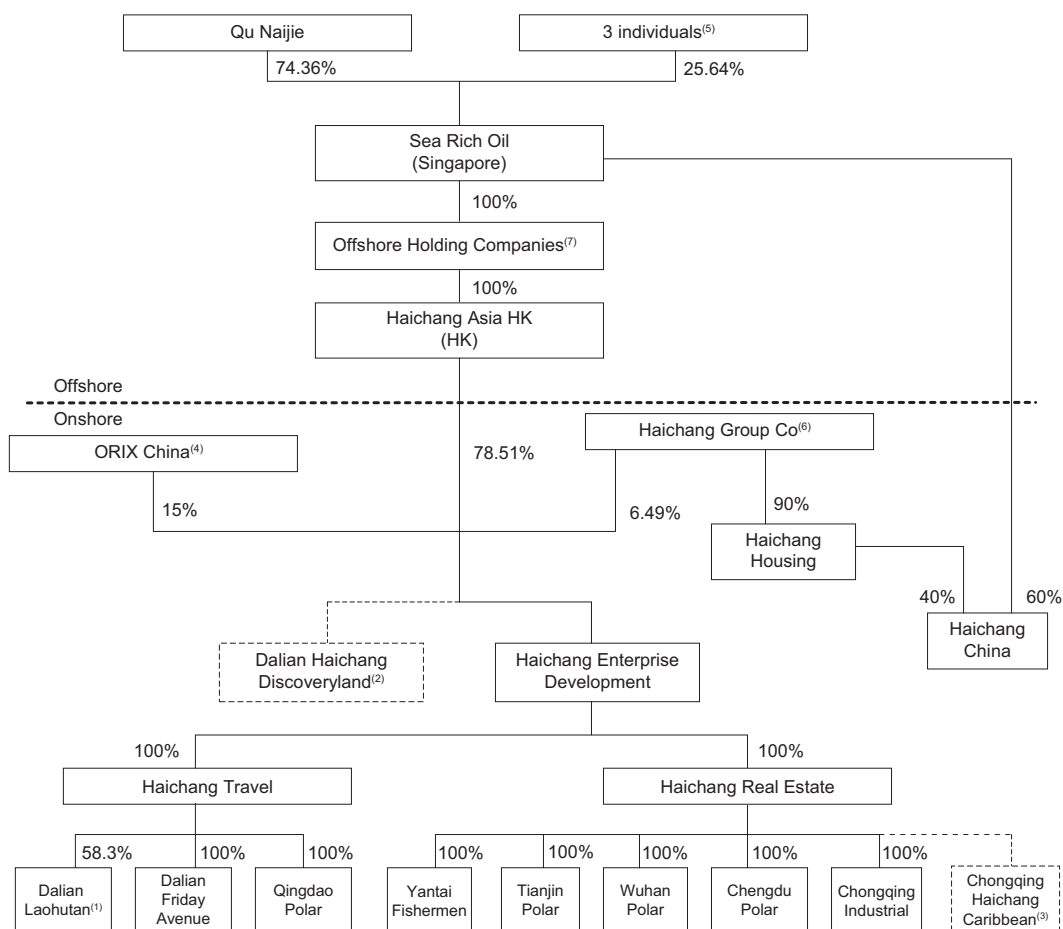
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As of the Latest Practicable Date, the registered capital of Haichang Travel was fully paid up.

As advised by our PRC legal advisor, all necessary approvals in relation to each of the above mentioned changes in equity capital have been obtained.

OUR REORGANIZATION

The following chart sets forth our ownership structure immediately prior to the start of the Reorganization:



Notes:

- (1) The remaining 41.7% in Dalian Laohutan is held by Hutun Park. Save and except for the interest it held in Dalian Laohutan, Hutun Park does not have any other shareholding in our Group.
- (2) Before Reorganization, Dalian Discoveryland and Dalian Discoveryland Hotel were initially owned by Haichang Enterprise Development. In order to separate its theme park business from its real estate business, Haichang Enterprise Development started a demerger procedure and incorporated a new company, Dalian Haichang Discoveryland to hold its theme park assets and to develop and operate Dalian Discoveryland and Dalian Discoveryland Hotel. See “Our Reorganization – Phase 5 of the Reorganization.”
- (3) Before Reorganization, Chongqing Caribbean Water Park and its ancillary commercial properties was initially owned by Chongqing Industrial. In order to separate its theme park business from its real estate business, Chongqing Industrial started a demerger procedure and incorporated a new company, Chongqing Haichang Caribbean to hold its theme park business and to engage in the operation of the Chongqing Caribbean Water Park and its ancillary commercial properties. See “Our Reorganization – Phase 5 of the Reorganization.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (4) On December 21, 2009, ORIX China entered into the ORIX China 2009 SSA with Haichang Group Co, Haichang Asia HK and Haichang Enterprise Development, pursuant to which Haichang Enterprise Development issued to ORIX China 15% of the then issued share capital of Haichang Enterprise Development, for a consideration of US\$87,881,185 (equivalent of RMB600,000,000). See “Pre-IPO Investments – Information regarding ORIX China, Oriental Camellia, Hony Capital and Time Dynasty.”
- (5) Sea Rich Oil was held by 3 individuals, namely Cheng Chunping (the wife of Qu Naijie), Zhang Tianchen and Li Jiehui as to 22.82%, 1.41% and 1.41%, respectively.
- (6) Haichang Group Co was held by Qu Naijie and Cheng Chunping (the wife of Qu Naijie) as to 70% (10% held by Qu Naiqiang as nominee) and 30%, respectively.
- (7) The offshore holding companies consist of Haichang International, Haichang Inc and Haichang Offshore, which are all wholly-owned by Sea Rich Oil.

In preparation for the Listing, our Group underwent a reorganization, steps of which are set out below. See “Relationship with our Controlling Shareholders” for details on excluded businesses and reasons for such exclusions.

Phase 1 of the Reorganization

Phase 1 of the Reorganization commenced in October 2011 and involved the consolidation of a number of operating subsidiaries under the ownership of Haichang Travel.

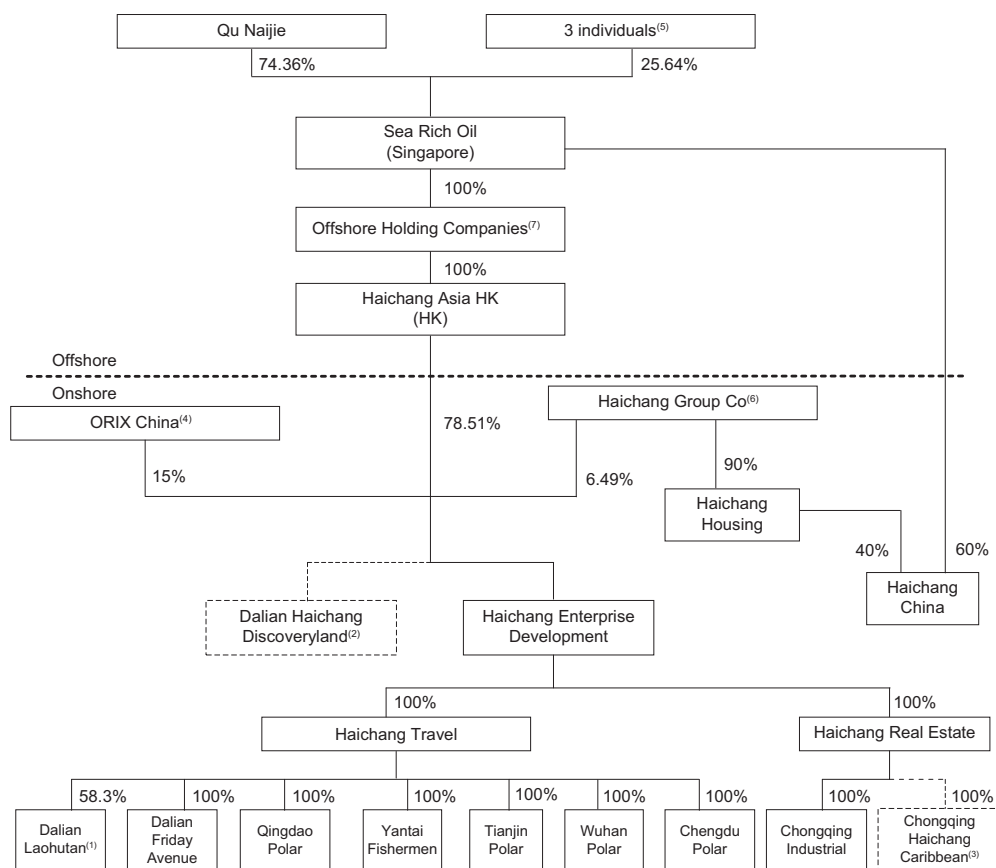
The following took place during Phase 1 of the Reorganization:

- **Wuhan Polar became wholly-owned by Haichang Travel:** In October 2011, Haichang Real Estate transferred its 100% equity interests in Wuhan Polar to Haichang Travel for a total consideration of RMB60,000,000, which was based on the then registered capital of Wuhan Polar, following which Haichang Travel owned 100% of Wuhan Polar.
- **Yantai Fishermen became wholly-owned by Haichang Travel:** In November 2011, Haichang Real Estate transferred its 100% equity interests in Yantai Fishermen to Haichang Travel for a total consideration of RMB30,000,000, which was based on the then registered capital of Yantai Fishermen, following which Haichang Travel owned 100% of Yantai Fishermen.
- **Chengdu Polar became wholly-owned by Haichang Travel:** In November 2011, Haichang Real Estate transferred its 100% equity interests in Chengdu Polar to Haichang Travel for a total consideration of RMB30,305,000, which was based on the then registered capital of Chengdu Polar, following which Haichang Travel owned 100% of Chengdu Polar.
- **Tianjin Polar became wholly-owned by Haichang Travel:** In February 2012, Haichang Real Estate transferred its 100% equity interests in Tianjin Polar to Haichang Travel for a total consideration of RMB203,414,800, which was based on the then registered capital of Tianjin Polar, following which Haichang Travel owned 100% of Tianjin Polar.

As advised by our PRC legal advisor, all necessary approvals in relation to the abovementioned reorganization have been obtained.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following chart sets forth our ownership structure immediately after Phase 1 of the Reorganization:



Notes:

- (1) The remaining 41.7% in Dalian Laohutan is held by Hutun Park. Save and except for the interest it held in Dalian Laohutan, Hutun Park does not have any other shareholding in our Group.
- (2) Before Reorganization, Dalian Discoveryland and Dalian Discoveryland Hotel were initially owned by Haichang Enterprise Development. In order to separate its theme park business from its real estate business, Haichang Enterprise Development started a demerger procedure and incorporated a new company, Dalian Haichang Discoveryland to hold its theme park assets and to develop and operate Dalian Discoveryland and Dalian Discoveryland Hotel. See “Our Reorganization – Phase 5 of the Reorganization.”
- (3) Before Reorganization, Chongqing Caribbean Water Park and its ancillary commercial properties were initially owned by Chongqing Industrial. In order to separate its theme park business from its real estate business, Chongqing Industrial started a demerger procedure and incorporated a new company, Chongqing Haichang Caribbean to hold its theme park business and to engage in the operation of the Chongqing Caribbean Water Park and its ancillary commercial properties. See “Our Reorganization – Phase 5 of the Reorganization.”
- (4) On December 21, 2009, ORIX China entered into the ORIX China 2009 SSA with Haichang Group Co, Haichang Asia HK and Haichang Enterprise Development, pursuant to which Haichang Enterprise Development issued to ORIX China 15% of the then issued share capital of Haichang Enterprise Development, for a consideration of US\$87,881,185 (equivalent of RMB600,000,000). See “Pre-IPO Investments – Information regarding ORIX China, Oriental Camellia, Hony Capital and Time Dynasty.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (5) Sea Rich Oil was held by 3 individuals, namely Cheng Chunping (the wife of Qu Naijie), Zhang Tianchen and Li Jiehui as to 22.82%, 1.41% and 1.41%, respectively.
- (6) Haichang Group Co was held by Qu Naijie and Cheng Chunping (the wife of Qu Naijie) as to 70% (10% held by Qu Naiqiang as nominee) and 30%, respectively.
- (7) The offshore holding companies consist of Haichang International, Haichang Inc and Haichang Offshore, which are all wholly-owned by Sea Rich Oil.

Phase 2 of the Reorganization

In Phase 2 of the Reorganization, Qu Naijie established an offshore holding structure as follows:

Incorporation of Haichang BVI

On November 18, 2011, Haichang BVI was incorporated in the British Virgin Islands. Upon its incorporation, Haichang BVI allotted and issued one share to Qu Naijie, which represented the entire issued share capital of Haichang BVI for a consideration of US\$1. Qu Naijie became the sole shareholder of Haichang BVI.

Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Cayman Islands Companies Law as an exempted company on November 21, 2011 and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on September 18, 2013. The initial share capital of our Company was US\$50,000 divided into 50,000 shares of US\$1.00 each. Upon its incorporation, one share was allotted and issued to Mapcal Limited as the initial subscriber, which was then transferred to Haichang BVI on the same day.

Incorporation of Haichang Asia BVI as our intermediate holding company

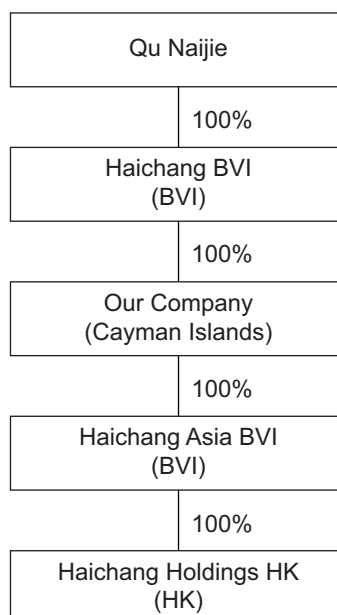
On November 22, 2011, Haichang Asia BVI was incorporated in the British Virgin Islands to act as our intermediate holding company. Upon its incorporation, Haichang Asia BVI allotted and issued one share to our Company, which represented the entire issued share capital of Haichang Asia BVI, for a consideration of US\$1. Our Company became the sole shareholder of Haichang Asia BVI.

Incorporation of Haichang Holdings HK

On December 5, 2011, Haichang Holdings HK was incorporated in Hong Kong. Upon its incorporation, Haichang Holdings HK allotted and issued one share to Haichang Asia BVI, which represented the entire issued share capital of Haichang Holdings HK, for a consideration of HK\$1. Haichang Asia BVI became the sole shareholder of Haichang Holdings HK.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following chart sets forth the offshore holding structure as a result of Phase 2 of the Reorganization:



Phase 3 of the Reorganization

In Phase 3 of the Reorganization, Oriental Camellia and Time Dynasty made share subscriptions in our Company, following which Oriental Camellia and Time Dynasty owned 12.58% and 13.11% of our Company, respectively.

On May 23, 2012, our Company subdivided its 50,000 issued and unissued shares with a par value of US\$1.00 each into 500,000,000 Shares with a par value of US\$0.0001 each. Upon completion of the sub-division of shares, Haichang BVI held 10,000 Shares, representing 100% of our then-issued share capital.

On July 19, 2012, our Company issued and allotted 84,990,000 Shares to Haichang BVI for a consideration of US\$8,499. Upon completion of the allotment of Shares, Haichang BVI held 85,000,000 Shares of our Company.

Share Subscription Agreements

On May 24, 2012, our Company, Haichang BVI, Qu Naijie and Time Dynasty entered into the Time Dynasty SSA. On July 13, 2012, our Company, ORIX China and Oriental Camellia entered into the Oriental Camellia SSA. The Share Subscription Agreements set out the key steps of the Reorganization. They also set out a framework for the rights of Oriental Camellia and Time Dynasty, which are described in further details in the paragraph headed “Pre-IPO Investments” below.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Investment by ORIX China

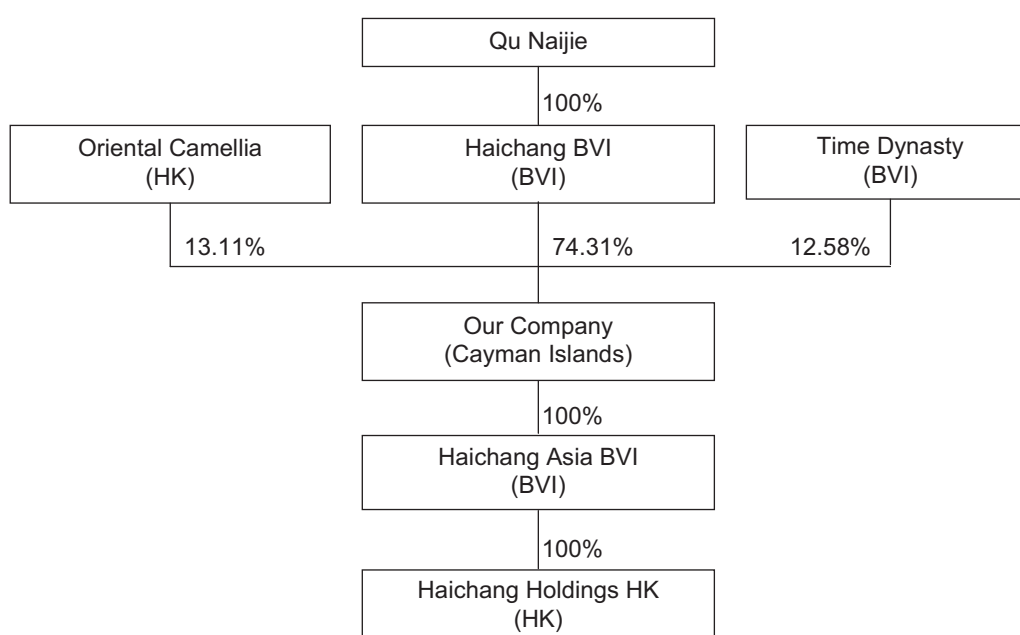
On July 13, 2012, our Company entered into the Oriental Camellia SSA with, among others, Oriental Camellia, a wholly-owned subsidiary of ORIX China, pursuant to which our Company issued to Oriental Camellia 15,000,000 Shares, representing approximately 15.0% of the then issued share capital of our Company (upon completion of Time Dynasty SSA on August 24, 2012, Oriental Camellia's interest was diluted to 13.11%). The consideration for the subscription comprised of (a) US\$1,500 and (b) the amount equals to the payment to be received by Oriental Camellia and ORIX China (together with their affiliates) in the amount of US dollar equivalent of RMB62,493,213.12 (subject to adjustment at the completion of the sale of Dalian Haichang Discoveryland) as consideration for their equity interests in Dalian Haichang Discoveryland (through their investment in Haichang Enterprise Development in 2009 and pursuant to the demerger of Haichang Enterprise Development in 2012 as part of the Part 5 of the Reorganization as detailed below) in connection with the sale of Dalian Haichang Discoveryland to Haichang Holdings HK and net of any taxes paid or payable by ORIX China or its affiliates. For the sale of Dalian Haichang Discoveryland to Haichang Holdings HK, see "Our Reorganization – Phase 5 of the Reorganization."

Investment by Hony Capital

On May 24, 2012, our Company entered into the Time Dynasty SSA with, among others, Time Dynasty, a special purpose vehicle of Hony Capital, pursuant to which our Company issued to Time Dynasty Limited 14,391,996 Shares, representing approximately 12.58% of the then issued share capital of our Company for a consideration of US\$80,500,000.

The valuation of the consideration for the above subscriptions by ORIX China and Hony Capital is based on the valuation of six theme parks and the Additional Theme Parks to be acquired pursuant to the Reorganization as contemplated in the Oriental Camellia SSA and Time Dynasty SSA.

The following chart sets forth the offshore holding structure as a result of Phase 3 of the Reorganization:



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Phase 4 of the Reorganization

The principal purpose of Phase 4 of the Reorganization was to transfer the ownership of our operating subsidiaries to the offshore structure owned by Qu Naijie. The following took place during Phase 4 of the Reorganization:

Haichang China became wholly owned by Haichang Holdings HK

On June 11, 2012, Haichang Housing transferred its 40% equity interests in Haichang China to Sea Rich Oil for a total consideration of RMB38,000,000. Upon completion of the equity transfer, Haichang China was 100% held by Sea Rich Oil.

On July 18, 2012, the registered capital of Haichang China was increased from RMB95,000,000 to RMB102,000,000, the increased portion of which was paid by Sea Rich Oil out of the undistributed profit.

On July 30, 2012, Sea Rich Oil transferred its 100% equity interests in Haichang China to Haichang Holdings HK for a total consideration of RMB102,000,000, which was based on the then registered capital of Haichang China. Upon completion of the equity transfer, Haichang China was 100% held by Haichang Holdings HK. On the same date, the name of Haichang China was changed from Dalian Haichang Garden Co., Ltd. to Haichang China Co., Ltd. with the issuance of a new business license under this name.

On October 16, 2012, the registered capital of Haichang China was increased from RMB102,000,000 to RMB190,670,000, the increased portion of which was paid by Haichang Holdings HK.

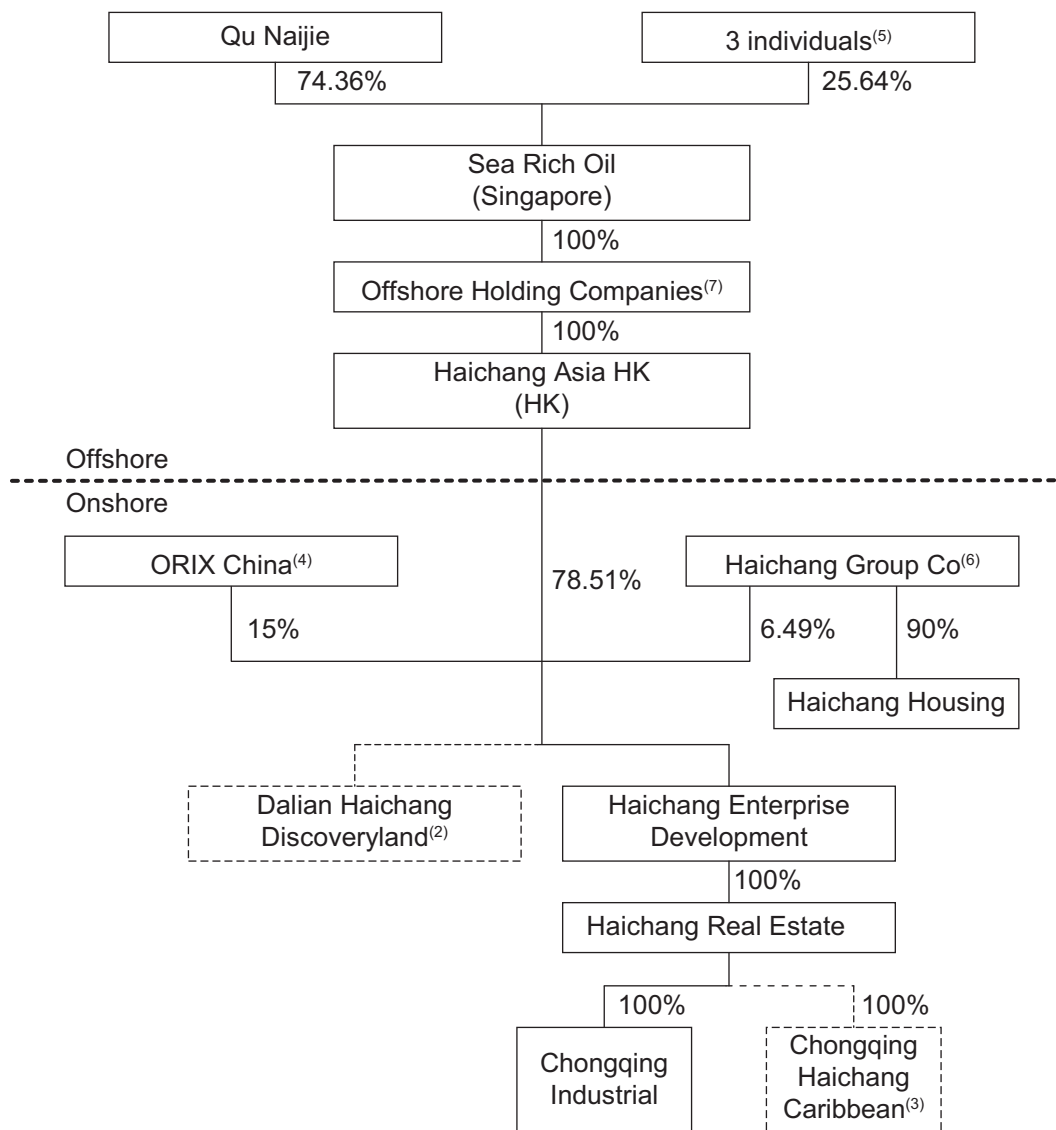
Haichang Travel became wholly owned by Haichang China

On August 22, 2012, Haichang Enterprise Development transferred its 100% equity interests in Haichang Travel to Haichang China for a total consideration of RMB10,000,000, which was based on the then registered capital of Haichang Travel. Upon completion of the equity transfer, Haichang Travel was 100% held by Haichang China.

All of the considerations of the above steps in Phase 4 of the Reorganization were determined with reference to, among others, the registered capital of the relevant companies at the time of the transaction. As advised by the PRC legal advisor of our Group, all necessary approvals in relation to the abovementioned reorganization have been obtained.

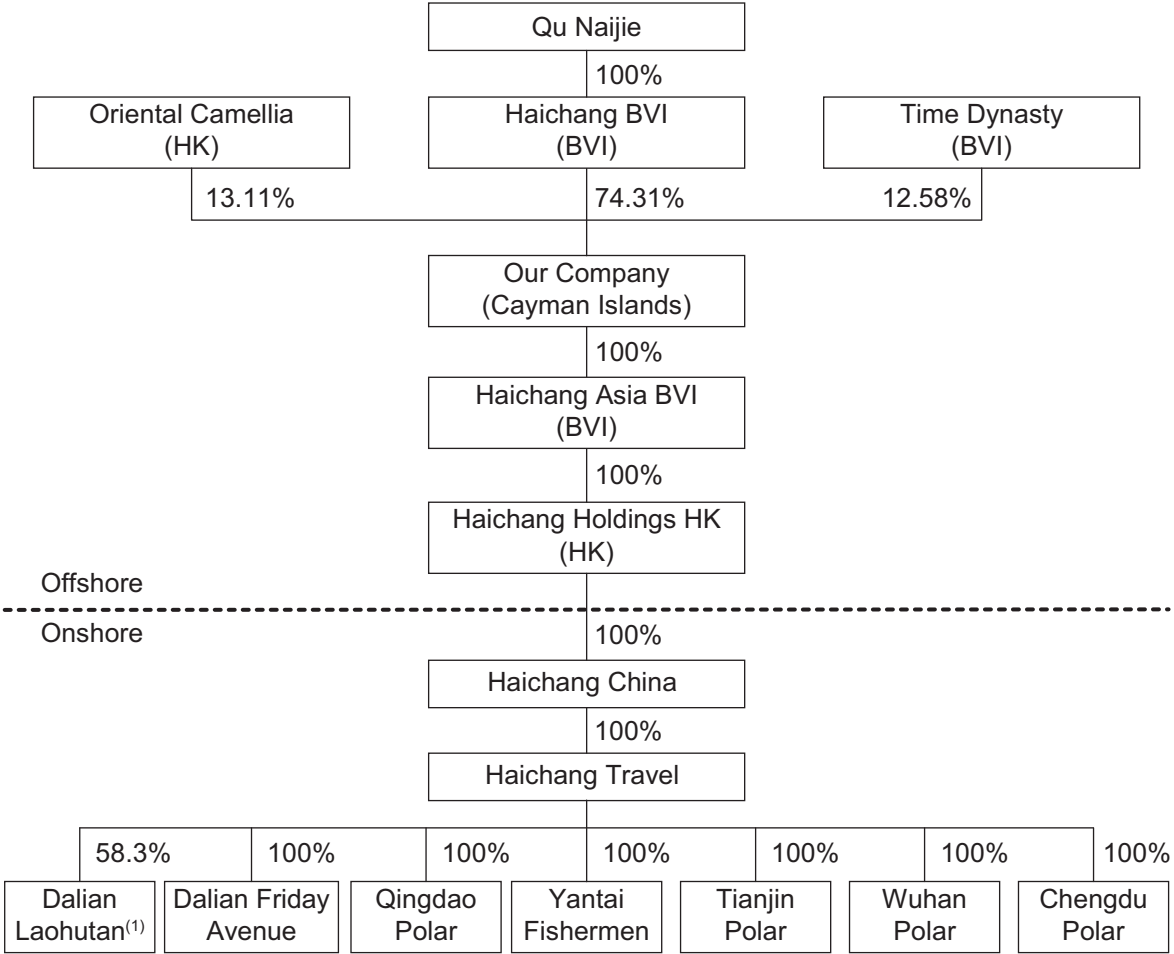
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following charts set forth the ownership structure as a result of Phase 4 of the Reorganization:



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

(continued)



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) The remaining 41.7% in Dalian Laohutan is held by Hutan Park. Save and except for the interest it held in Dalian Laohutan, Hutan Park does not have any other shareholding in our Group.
- (2) Before Reorganization, Dalian Discoveryland and Dalian Discoveryland Hotel were initially owned by Haichang Enterprise Development. In order to separate its theme park business from its real estate business, Haichang Enterprise Development started a demerger procedure and incorporated a new company, Dalian Haichang Discoveryland to hold its theme park assets and to develop and operate Dalian Discoveryland and Dalian Discoveryland Hotel. See “Our Reorganization – Phase 5 of the Reorganization.”
- (3) Before Reorganization, Chongqing Caribbean Water Park and its ancillary commercial properties were initially owned by Chongqing Industrial. In order to separate its theme park business from its real estate business, Chongqing Industrial started a demerger procedure and incorporated a new company, Chongqing Haichang Caribbean to hold its theme park business and to engage in the operation of the Chongqing Caribbean Water Park and its ancillary commercial properties. See “Our Reorganization – Phase 5 of the Reorganization.”
- (4) On December 21, 2009, ORIX China entered into ORIX China 2009 SSA with Haichang Group Co, Haichang Asia HK and Haichang Enterprise Development, pursuant to which Haichang Enterprise Development issued to ORIX China 15% of the then issued share capital of Haichang Enterprise Development, for a consideration of US\$87,881,185 (equivalent of RMB600,000,000). See “Pre-IPO Investments – Information regarding ORIX China, Oriental Camellia, Hony Capital and Time Dynasty.”
- (5) Sea Rich Oil was held by 3 individuals, namely Cheng Chunping (the wife of Qu Naijie), Zhang Tianchen and Li Jiehui as to 22.82%, 1.41% and 1.41%, respectively.
- (6) Haichang Group Co was held by Qu Naijie and Cheng Chunping (the wife of Qu Naijie) as to 70% (10% held by Qu Naiqiang as nominee) and 30%, respectively.
- (7) The offshore holding companies consist of Haichang International, Haichang Inc and Haichang Offshore, which are all wholly-owned by Sea Rich Oil.

Phase 5 of the Reorganization

Dalian Haichang Discoveryland is engaged in the development and operation of Dalian Discoveryland and Dalian Discoveryland Hotel. Chongqing Haichang Caribbean is engaged in the development and operation of Chongqing Caribbean Water Park and its ancillary commercial properties. Qu Naijie is indirectly interested in both the Dalian Haichang Discoveryland and Chongqing Haichang Caribbean.

Pursuant to the the Oriental Camellia SSA and Time Dynasty SSA, our Company, Haichang BVI and Qu Naijie, have agreed that they will take all necessary actions to cause to complete the acquisitions of Dalian Haichang Discoveryland and Chongqing Haichang Caribbean by our Group. It is expected that the Acquisitions will be completed after the Listing.

Set out below is the background of the establishments of Dalian Haichang Discoveryland and Chongqing Haichang Caribbean.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Acquisition of Dalian Haichang Discoveryland

Dalian Discoveryland and Dalian Discoveryland Hotel were initially owned by Haichang Enterprise Development, which was originally a company engaged in both theme park business and real estate development. It was held by ORIX China, Haichang Asia HK and Haichang Group Co as to 15%, 78.51% and 6.49% respectively. In order to separate its theme park business from its real estate business, Haichang Enterprise Development started a demerger procedure on August 9, 2011 and incorporated a new company, Dalian Haichang Discoveryland on May 28, 2012 to hold its theme park assets and to develop and operate Dalian Discoveryland and Dalian Discoveryland Hotel. Dalian Haichang Discoveryland is established with an initial registered capital of US\$58,235,294 and is held by ORIX China, Haichang Asia HK and Haichang Group Co as to 15%, 78.51% and 6.49%, respectively. After the demerger, it has become the entity that holds Dalian Discoveryland and Dalian Discoveryland Hotel. Haichang Enterprise Development continues to hold its existing real estate business.

In order to complete the acquisition of Dalian Haichang Discoveryland as contemplated in the Share Subscription Agreements, ORIX China, Haichang Asia HK, Haichang Group Co and Haichang Holdings HK entered into an equity transfer agreement on September 24, 2013, pursuant to which, after the expiry of a one-year period from the completion of the transfer (“Benchmark Date”) of the relevant theme park business and assets to Dalian Haichang Discoveryland, Haichang Holdings HK will acquire 100% equity interests in Dalian Haichang Discoveryland from ORIX China, Haichang Asia HK and Haichang Group Co for a total consideration of US dollar equivalent of RMB416,621,420.83, which was calculated based on the net asset value of Dalian Haichang Discoveryland as of August 31, 2013 (“2013 NAV”), subject to the price adjustment mechanism. If the final valuation of the net asset value of Dalian Haichang Discoveryland as of the Benchmark Date (“Completion Valuation”) is higher or lower than the 2013 NAV by 5% or more, the final consideration will be adjusted to the Completion Valuation. Any such adjustment will not affect ORIX China, Oriental Camellia or any of their affiliates’ shareholding in our Company as any payment received by ORIX China as consideration for its indirect equity interests in Dalian Haichang Discoveryland in connection with the sale net of any tax payable will be fully paid by ORIX China, Oriental Camellia and/or their affiliate to our Company pursuant to the Oriental Camellia SSA. In addition, pursuant to the Share Subscription Agreements, Qu Naijie and/or his affiliates shall promptly repay to our Company such amount that equals to the cash payment received by them in connection with the sale of Dalian Haichang Discoveryland as consideration for their equity interests therein, as deferred payment of the initial subscription premium of our Shares, which will be used as capital for the Group to continue developing its theme park and ancillary property development business. Completion of the transfer of the relevant theme park business and assets by Haichang Enterprise Development into Dalian Haichang Discoveryland (“Transfer of the Theme Park Assets to Dalian Haichang Discoveryland”) took place in August 2013 and it is expected that the acquisition of Dalian Haichang Discoveryland by Haichang Holdings HK will be completed no later than December 31, 2014. The extended completion date allows our Group to ensure that the Transfer of the Theme Park Assets to Dalian Haichang Discoveryland is complete before the acquisition of Dalian Haichang Discoveryland. Further, pursuant to Circular 59, Haichang Enterprise Development and its foreign shareholder, who are liable for payment of enterprise income tax for the Transfer of Theme Park Assets to Dalian Haichang Discoveryland, may be entitled to the special tax treatment under Circular 59 for an exemption of the said enterprise income tax. Pursuant to Circular 59, in order to be eligible for the special tax treatment, the relevant transaction must have a reasonable commercial purpose and that the shareholders must not transfer the relevant equity interests within 12 months from the completion of the demerger procedures. Haichang Enterprise Development and its shareholders consider that the demerger and separation of theme park business from real estate business and the subsequent transfer of

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Dalian Haichang Discoveryland to the Group for the Reorganization and future development are for the best commercial interest for both Haichang Enterprise Development and the Group. As of the Latest Practicable Date, our PRC legal advisor was not aware of any circumstances which will result in any legal obstacle to obtain relevant approval or registration from relevant PRC authority in connection with the closing of the acquisition.

Acquisition of Chongqing Haichang Caribbean

Chongqing Caribbean Water Park and its ancillary commercial properties were initially owned by Chongqing Industrial, which was originally a company engaged in both the theme park business and real estate development. It was wholly-owned by Haichang Real Estate. In order to separate its theme park business from its real estate business, Chongqing Industrial started a demerger procedure on July 20, 2011 and incorporated a new company, Chongqing Haichang Caribbean on January 18, 2012, to hold its theme park business and to engage in the operation of the Chongqing Caribbean Water Park and its ancillary commercial properties. Chongqing Haichang Caribbean is established with an initial registered capital of RMB10,000,000 and is wholly-owned by Haichang Real Estate. After the demerger, it has become the entity that holds the Chongqing Caribbean Water Park and its ancillary commercial properties. Chongqing Industrial continues to hold its existing real estate business.

In order to complete the acquisition of Chongqing Haichang Caribbean as contemplated in the Share Subscription Agreements, Haichang Real Estate and Haichang Travel entered into an equity transfer agreement on September 23, 2013, pursuant to which, after the expiry of a one-year period from the completion of the transfer (“Benchmark Date”) of the relevant theme park business and assets to Chongqing Haichang Caribbean, Haichang Travel will acquire 100% equity interests in Chongqing Haichang Caribbean from Haichang Real Estate for a total consideration of RMB10,210,831.35, which was calculated based on the net asset value of Chongqing Haichang Caribbean as of August 31, 2013 (“2013 NAV”), subject to the price adjustment mechanism. If the final valuation of the net asset value of Chongqing Haichang Caribbean as of the Benchmark Date (“Completion Valuation”) is higher or lower than 2013 NAV by 5% or more, the final consideration will be adjusted to the Completion Valuation. Completion of the transfer of the relevant theme park business and assets by Haichang Real Estate into Chongqing Haichang Caribbean (“Transfer of the Theme Park Assets to Chongqing Haichang Caribbean”) took place in November 2013 and it is expected that the acquisition of Chongqing Haichang Caribbean by Haichang Travel will be completed no later than December 31, 2014. The extended completion date allows our Group to ensure that the Transfer of the Theme Park Assets to Chongqing Haichang Caribbean is complete before the acquisition of Chongqing Haichang Caribbean. Further, pursuant to Circular 59, Chongqing Industrial who is liable for payment of enterprise income tax for the Transfer of Theme Park Assets to Chongqing Haichang Caribbean, may be entitled to the special tax treatment under Circular 59 for an exemption of the said enterprise income tax. Pursuant to Circular 59, in order to be eligible for the special tax treatment, the relevant transaction must have a reasonable commercial purpose and that the shareholders must not transfer the relevant equity interests within 12 months from the completion of the demerger procedures. Chongqing Industrial and its shareholders consider that the demerger and separation of theme park business from real estate business and the subsequent transfer of Chongqing Haichang Caribbean to the Group for the Reorganization and future development are for the best commercial interest for both Chongqing Industrial and the Group. Pursuant to the Share Subscription Agreements, Qu Naijie and/or his affiliates shall promptly repay to our Company such amount that equals to the cash payment received by them in connection with the sale of Chongqing Haichang Caribbean as consideration for their equity interests therein, as deferred payment of the initial subscription premium of our Shares, which will be used as capital to the Group to continue developing its theme park and

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

ancillary properties development business. As of the Latest Practicable Date, our PRC legal advisor was not aware of any circumstances which would result in any legal obstacle to obtain relevant approval or registration from relevant PRC authority in connection with the closing of the acquisition.

Acquisition of 49% interests in Dalian 4D-Cinema Co

Dalian 4D-Cinema Co was established in May 2001 with an initial registered capital of RMB20,000,000, held by Haichang Group Co and Dalian Zhongshan Hutun Production Services Company* (大連市中山區虎灘生產服務公司), an Independent Third Party other than its interests in Dalian 4D-Cinema Co, as to 60% and 40% respectively at the time of incorporation. Its scope of business includes, among other, the operation of cinema.

As of January 1, 2010, Dalian 4D-Cinema Co was held by Haichang Group Co and Dalian Lianyungang as to 60% and 40% respectively.

Pursuant to two share transfer agreements dated September 12, 2013, Haichang Group Co and Dalian Lianyungang agreed to transfer 9% and 40% of the equity interests in Dalian 4D-Cinema Co to Haichang Travel for a total consideration of RMB1,800,000 and RMB8,000,000 respectively, which were based on the then registered capital of Dalian 4D-Cinema Co. As a result of such transfers, Dalian 4D-Cinema Co was held by Haichang Group Co and Haichang Travel as to 49% and 51% respectively. As advised by our PRC legal advisor, all necessary approvals in relation to each of the abovementioned transfers have been obtained.

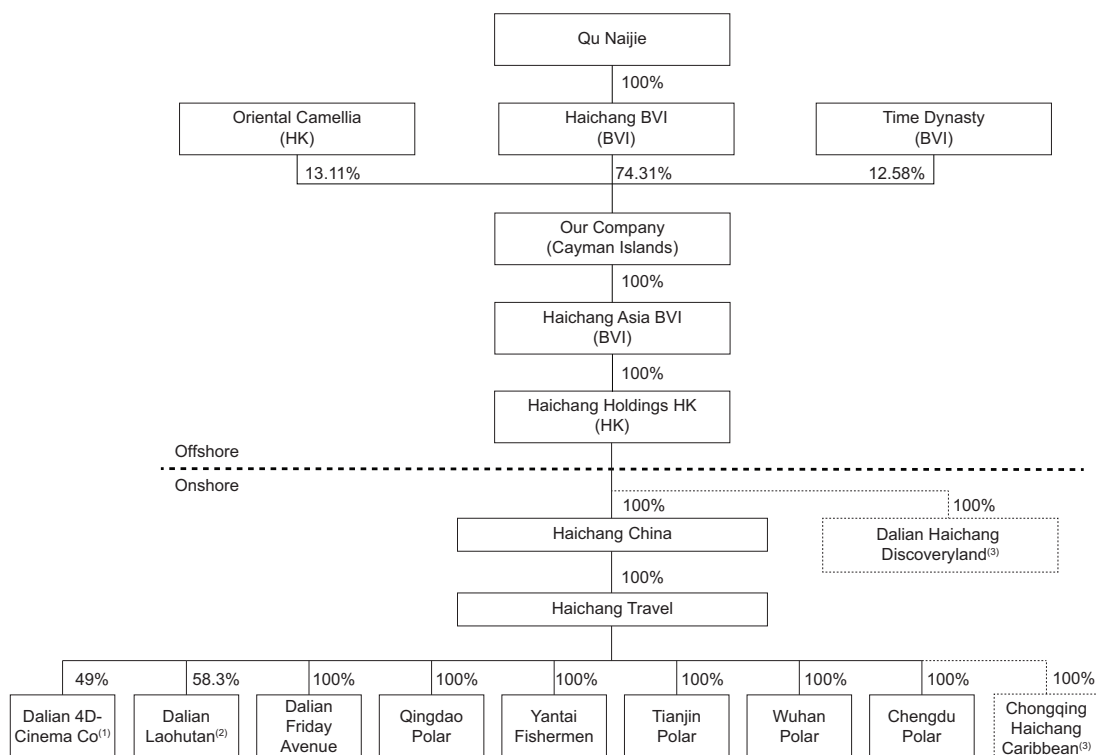
Acquisition of Dalian Laohutan Fishermen's Wharf

Dalian Laohutan Fishermen's Wharf is a commercial area in Dalian close to Dalian Laohutan Ocean Park. It adds to the competitive strengths of Dalian Laohutan Ocean Park in providing visitors with more complete and diversified entertainment and leisure offerings. As part of our Reorganization, we entered into a series of purchase agreements between Haichang China and Shibo Real Estate to purchase the commercial properties in Dalian Laohutan Fishermen's Wharf (大連老虎灘漁人碼頭). The acquisition was completed in January 2014.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately after the Reorganization

The following chart sets forth our corporate structure immediately after Phase 5 of the Reorganization:



Notes:

- (1) The remaining 51% in Dalian 4D-Cinema Co is held by Haichang Group Co.
- (2) The remaining 41.7% in Dalian Laohutan is held by Hutun Park. Save and except for the interest it held in Dalian Laohutan, Hutun Park does not have any other shareholding in our Group.
- (3) Completion of the Acquisitions will take place after the Listing. See “Our Reorganization – Phase 5 of the Reorganization.”

Phase 6 of the Reorganization

In Phase 6 of the Reorganization, the Group established a project company for the development of Sanya Haitang Bay Dream World. The Group has also acquired a project company from Haichang Group Co to be responsible for the development of Shanghai Haichang Polar Ocean World.

Incorporation of Sanya Haichang

Sanya Haichang was set up for the development of Sanya Haitang Bay Dream World in Sanya, Hainan province. Sanya Haichang was established in December 2013 with an initial registered capital of RMB10,000,000, held by Haichang Travel as to 100%.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

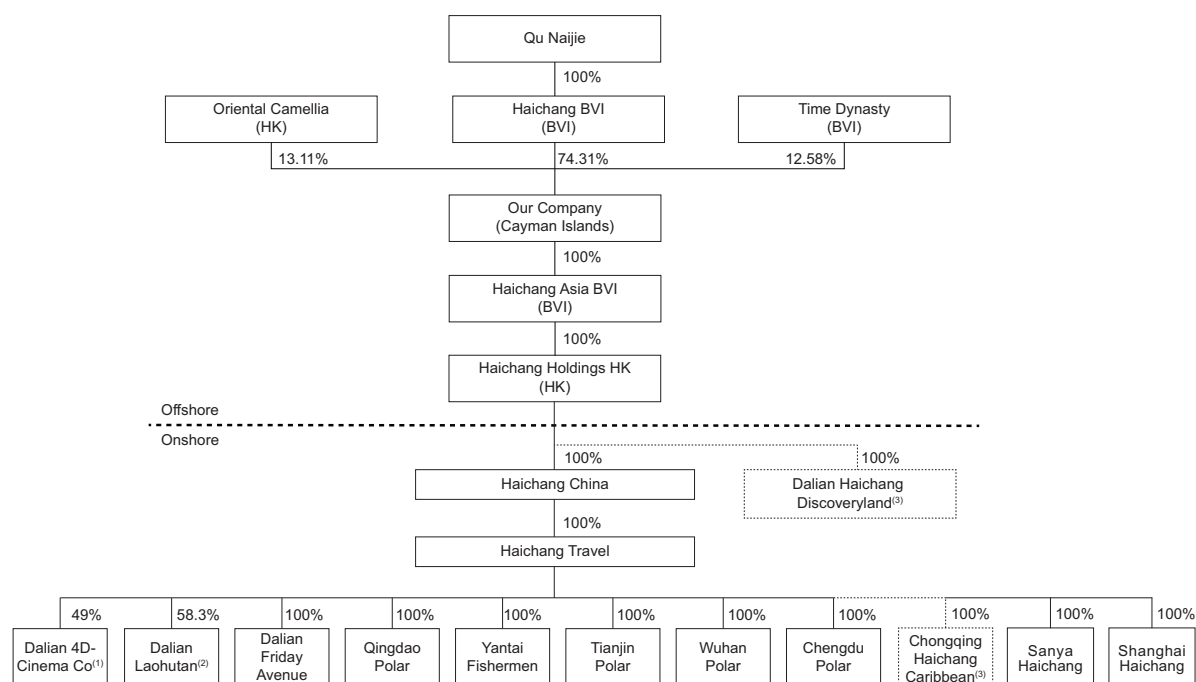
Acquisition of Shanghai Haichang

Shanghai Haichang was established in July 2011 with an initial registered capital of RMB10,000,000, wholly-owned by Haichang Group Co at the time of incorporation.

Pursuant to a share transfer agreement dated December 13, 2013, Haichang Group Co agreed to transfer its entire equity interests in Shanghai Haichang to Haichang Travel for a total consideration of RMB10,000,000, which was based on the then registered capital of Shanghai Haichang. Shanghai Haichang was acquired for the development of Shanghai Haichang Polar Ocean World. The acquisition was completed in January 2014, following which Shanghai Haichang was 100% held by Haichang Travel. As advised by our PRC legal advisor, all necessary approvals in relation to the above mentioned transfer have been obtained.

Corporate structure immediately after the Reorganization

The following chart sets forth our corporate structure immediately after the Reorganization:



Notes:

- (1) The remaining 51% in Dalian 4D-Cinema Co is held by Haichang Group Co.
- (2) The remaining 41.7% in Dalian Laohutan is held by Hutun Park. Save and except for the interest it held in Dalian Laohutan, Hutun Park does not have any other shareholding in our Group.
- (3) Completion of the Acquisitions will take place after the Listing. See “Our Reorganization – Phase 5 of the Reorganization.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRE-IPO INVESTMENTS

Investment by ORIX China

On December 21, 2009, ORIX China entered into ORIX China 2009 SSA with Haichang Group Co, Haichang Asia HK and Haichang Enterprise Development to acquire a 15% of the then issued share capital of Haichang Development Enterprise, for a consideration of US\$87,881,185 (equivalent of RMB600,000,000).

On July 13, 2012, our Company entered into the Oriental Camellia SSA with, among others, Oriental Camellia, a wholly owned subsidiary of ORIX China, pursuant to which our Company issued to Oriental Camellia 15,000,000 Shares, representing approximately 15.0% of the then issued share capital of our Company (upon completion of Time Dynasty SSA on August 24, 2012, Oriental Camellia's interest was diluted to 13.11%). The consideration for the subscription comprised of (a) US\$1,500 and (b) the amount equals to the payment to be received by Oriental Camellia and ORIX China (together with their affiliates) in the amount of US dollars equivalent of RMB62,493,213.12 (subject to adjustment at the completion of the sale of Dalian Haichang Discoveryland, see "Our Reorganization – Phase 5 of the Reorganization") as consideration for their equity interests in Dalian Haichang Discoveryland (through their investment in Haichang Enterprise Development in 2009 and pursuant to the demerger of Haichang Enterprise Development in 2012 as part of the Part 5 Reorganization) in connection with the sale of Dalian Haichang Discoveryland to Haichang Holdings HK and net of any taxes paid or payable by ORIX China or its affiliates. See "Our Reorganization – Phase 5 of the Reorganization" for details on the Sale of Dalian Haichang Discoveryland to Haichang Holdings HK.

Investment by Hony Capital

On May 24, 2012, the Company entered into the Time Dynasty SSA with, among others, Time Dynasty, a special purpose vehicle of Hony Capital, pursuant to which the Company issued to Time Dynasty 14,391,996 Shares, representing 12.58% of the then issued share capital of our Company, for a consideration of US\$80,500,000.

The valuation of the consideration for the above subscriptions by ORIX China and Hony Capital is based on the valuation of six theme parks and the Additional Theme Parks to be acquired pursuant to the Reorganization as contemplated in the Oriental Camellia SSA and Time Dynasty SSA.

Key Terms of the Share Subscription Agreements

Set forth below are the key terms of the Share Subscription Agreements:

Number of Shares Issued:	(1) Oriental Camellia: 15,000,000 (2) Time Dynasty: 14,391,996
Date of Investment:	(1) Oriental Camellia: July 13, 2012 (2) Time Dynasty: May 24, 2012

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Amount of Consideration Paid:	<p>(1) Oriental Camellia: (i) US\$1,500 and (ii) Oriental Camellia shall, and ORIX China shall cause Oriental Camellia to, pay to the Company, directly or through any of its affiliate, such amount that equals to the payment received by Oriental Camellia and ORIX China (together with their affiliates) as consideration for their equity interests in Dalian Haichang Discoveryland in connection with the sale of Dalian Haichang Discoveryland to Haichang Holdings HK and net of any taxes paid or payable by ORIX China or its affiliates in connection with Oriental Camellia's acquisition of 15% equity interest in Dalian Haichang Discoveryland and/or the sale of Dalian Haichang Discoveryland to Haichang Holdings HK⁽¹⁾</p> <p>(2) Time Dynasty: US\$80,500,000</p>
Covenants in relation to restructuring plan:	<p>(1) As soon as practicable after the respective completion of acquisition of Dalian Haichang Discoveryland by Haichang Holdings HK and acquisition of Chongqing Haichang Caribbean by Haichang Travel as contemplated in the Share Subscription Agreements, Qu Naijie and/or his affiliates shall promptly repay to our Company such amount that equals to the cash payment received by them in connection with the respective sale of Dalian Haichang Discoveryland and Chongqing Haichang Caribbean as consideration for their equity interests therein, as deferred payment of the initial subscription premium of Qu Naijie (through Haichang BVI)'s Shares.</p>
Payment Date of the Consideration:	<p>(1) Oriental Camellia: July 19, 2012</p> <p>(2) Time Dynasty: August 24, 2012</p>
Cost per Share Paid:	<p>(1) Oriental Camellia: US\$0.1363⁽²⁾</p> <p>(2) Time Dynasty: US\$0.2133</p>

Notes:

- (1) ORIX China's investment in the Group should be dated back to December 2009 when it entered into the ORIX China 2009 SSA with Haichang Group Co, Haichang Asia HK and Haichang Development Enterprises to acquire a 15% interest in the Group's six theme parks, the Additional Theme Parks, their ancillary commercial properties, and certain other real estate projects retained by the Remaining Group through Haichang Development Enterprise for a consideration of US\$87,881,185 (equivalent of RMB600,000,000), which was irrevocably settled in full in January 2010. On July 13, 2012, our Company entered into the Oriental Camellia SSA with, among others, Oriental Camellia, a wholly-owned subsidiary of ORIX China, pursuant to which our Company issued to Oriental Camellia 15,000,000 Shares, representing 15% of the then issued share capital of our Company. The consideration for the subscription comprised of (a) US\$1,500 and (b) the amount equals to the payment to be received by Oriental Camellia and ORIX China (together with their affiliates) in the amount of US dollar equivalent of RMB62,493,213.12 (subject to adjustment at the completion of the sale of Dalian Haichang Discoveryland) as consideration for their equity interests in Dalian Haichang Discoveryland in connection with the sale of Dalian Haichang Discoveryland to Haichang Holdings HK and net of any taxes paid or payable by ORIX China or its affiliates.
- (2) The total cost paid consists of (i) US\$53,607,533 (equivalent to 61% of the consideration of US\$87,881,185 pursuant to the ORIX China 2009 SSA, which according to the Company's valuation is attributable to ORIX China's interest in the Group's six theme parks, the Additional Theme Parks and their ancillary commercial properties); and (ii) US\$1,500 (pursuant to Oriental Camellia SSA).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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|---|---|
| Discount to the IPO Price: | <ul style="list-style-type: none"> (1) Oriental Camellia: Approximately 56.2% to the Offer Price assuming the Offer Price is HK\$2.43 per Share, being the mid-point of the Offer Price range. (2) Time Dynasty: Approximately 31.5% to the Offer Price assuming the Offer Price is HK\$2.43 per Share, being the mid-point of the Offer Price range. |
| Use of Proceeds: | <ul style="list-style-type: none"> (1) Payment of land use rights and development and construction of theme parks and ancillary commercial real estate projects; (2) Working capital for general corporate purpose of our Group; (3) Any purpose specified in the restructuring plan under the Share Subscription Agreement; (4) Payment of future acquisitions approved by the board of directors of the Company; and (5) subject to prior written consent of Time Dynasty and Oriental Camellia, for any purpose other than those specified above. |
| Strategic Benefits to the Company | <ul style="list-style-type: none"> (1) Oriental Camellia: attesting to international recognition of the business model of the Company by experienced peers. (2) Time Dynasty: providing managerial consultancy services to the Company in respect of development strategy, internal control, structuring of our management system, senior management recruitment, brand building, marketing design and employee incentive programs, all of which have helped to enhance the corporate governance of the Group. |
| Shareholding in the Company (without taking into account the Shares to be issued pursuant to the Listing, the Share Option Scheme and the Over-allotment Option): | <ul style="list-style-type: none"> (1) Oriental Camellia: 13.11% (2) Time Dynasty: 12.58% |

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Special Rights of Time Dynasty and Oriental Camellia

In conjunction with the Share Subscription Agreements, our Company, Qu Naijie, Haichang BVI, Oriental Camellia and Time Dynasty entered into the Pre-IPO Shareholders' Agreement, pursuant to which Oriental Camellia and Time Dynasty were granted a number of special rights in relation to our Company. Set forth below is a summary of the principal special rights granted to Time Dynasty and Oriental Camellia under the Pre-IPO Shareholders' Agreement, all of which will be terminated upon the Listing:

Board of Directors	The board shall have six directors. So long as Oriental Camellia or Time Dynasty holds any Shares in our Company, each of them shall be entitled to nominate at least one director (the "Non-Controlling Shareholder Director") and the actual number of the Non-Controlling Shareholder Director shall be comparable to the largest extent possible to the proportion of the Shares held by each of Time Dynasty or Oriental Camellia against the issued and outstanding share capital of the Company on the fully diluted basis.
Right of Participation	Each of Oriental Camellia or Time Dynasty shall have a right of first refusal to purchase its pro rata Share of a new issue of securities by our Company.
Right of First Refusal	If any Shareholder proposes to transfer any of its Shares, each of Oriental Camellia or Time Dynasty shall have a right of first refusal to purchase its pro rata Share of such sale at the same price and subject to the same material terms and conditions as a proposed sales of Shares to a third party purchaser.
Right of Co-Sale	Each of Oriental Camellia or Time Dynasty which does not exercise its right of first refusal as mentioned above shall have the right to participate in the sale of Shares to the transferee upon the same terms and conditions as offered by the selling shareholder, in proportion to the total number of Shares held by Oriental Camellia or Time Dynasty.
Pre-Listing Lock-Up Rights	Qu Naijie and Haichang BVI shall not, directly or indirectly, transfer any of their Shares, prior to the fourth anniversary of the date of the shareholders' agreement between our Company, Qu Naijie, Haichang BVI, Oriental Camellia and Time Dynasty (i.e. August 24, 2012) without the prior written consent of Oriental Camellia and Time Dynasty except for the transfer of its Shares pursuant to the employee incentive plan under the Pre-IPO Shareholders' Agreement.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Issuance of securities by Haichang BVI	Haichang BVI shall not, and Qu Naijie shall ensure that Haichang BVI shall not, grant or issue any shares, securities or other interests in the shares of Haichang BVI to any person (i) without the prior written consent of Oriental Camellia and Time Dynasty, and (ii) unless such person shall execute a deed of adherence to the Pre-IPO Shareholders' Agreement.
Information and Inspection Rights	Prior to the Listing, Time Dynasty and Oriental Camellia are entitled to receive from our Company periodic financial information. Time Dynasty and Oriental Camellia also have the right to reasonably visit and inspect any of the properties of our Group, including its books of account and other records, to discuss its affairs, finances and accounts with the officers and independent public accountants, and to conduct an audit of the books and records of our Company and/or its Subsidiaries.

All of the above special rights will be terminated upon the Listing. The Company and the Joint Sponsors are of the view that the pre-IPO investments by Time Dynasty and Oriental Camellia are in compliance with the Interim Guidance (i.e. Guidance Letter HKEx-GL29-12), Guidance Letter HKEx-GL43-12 and HKEx-GL44-12.

Lock up of Oriental Camellia and Time Dynasty

Each of Oriental Camellia and Time Dynasty has agreed to a lock-up period of one year from the Listing Date pursuant to the Pre-IPO Shareholders' Agreement.

Information regarding ORIX China, Oriental Camellia, Hony Capital and Time Dynasty

ORIX China and Oriental Camellia

Oriental Camellia, a limited liability company incorporated under the laws of Hong Kong, is a wholly owned subsidiary of ORIX China.

On December 21, 2009, ORIX China entered into the ORIX China 2009 SSA with Haichang Group Co, Haichang Asia HK and Haichang Enterprise Development, pursuant to which Haichang Enterprise Development issued to ORIX China 15% of the then issued share capital of Haichang Enterprise Development, for a consideration of US\$87,881,185 (equivalent of RMB600,000,000). As of the Latest Practicable Date, Haichang Enterprise Development was held by ORIX China as to 15%.

On July 13, 2012, our Company entered into the Oriental Camellia SSA with, among others, Oriental Camellia, a wholly-owned subsidiary of ORIX China, pursuant to which our Company issued to Oriental Camellia 15,000,000 Shares, representing approximately 15.0% of the then issued share capital of our Company (upon completion of Time Dynasty SSA on August 24, 2012, Oriental Camellia's interest was diluted to 13.11%).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As Oriental Camellia will hold 9.83% of the share capital of Our Company upon the Listing (on a fully diluted basis assuming no exercise of the Over-allotment Option and no Shares will be granted under the Share Option Scheme), it is not a connected person of our Company under the Listing Rules, the Shares held by Oriental Camellia will be counted towards the public float after the Listing.

Hony Capital and Time Dynasty

Time Dynasty, a limited liability company incorporated under the laws of the British Virgin Islands, is a special purpose vehicle wholly-owned by Honu Capital.

As Time Dynasty will hold 9.44% of the share capital of our Company upon the Listing (on a fully diluted basis assuming no exercise of the Over-allotment Option and no Shares will be granted under the Share Option Scheme), it is not a connected person of our Company under the Listing Rules, the Shares held by Time Dynasty will be counted towards the public float after the Listing.

PRC REGULATORY REQUIREMENTS

Our PRC legal advisor has confirmed that all required consents, approvals, authorizations or orders of, notices or filings with any PRC government authorities have been made or obtained for our Group's onshore Reorganization (except for the two acquisitions during Phase 5 of the Reorganization to be completed after the Listing which they have given a view that there should not be any legal obstacles to complete under the existing PRC Laws) and the completion of such onshore Reorganization does not contravene any provisions of PRC Laws.

M&A Rules

Under the M&A Rules, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity interests of a domestic enterprise or subscribes for the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise ("FIE"); or (ii) establishes an FIE through which it purchases the assets of a domestic enterprise and operates these assets or purchases the assets of a domestic enterprise and invests such assets to establish an FIE (the "Regulated Activities"). In addition, the M&A Rules include, among other things, provisions that purport to require that an offshore special purpose vehicle formed for the purpose of an overseas listing of securities in a domestic enterprise ("SPV") shall obtain the approval of the CSRC prior to the listing and trading of such SPV's securities on an overseas stock exchange.

According to the Manual of Guidance on Administration for Foreign Investment (2008 Edition) promulgated by the Ministry of Commerce in December 2008, the M&A Rules only apply to the acquisition of equity interests in a purely domestic company conducted by a foreign investor. In other words, the M&A Rules do not apply to the situation where a PRC shareholder transfers the equity interests in an FIE to a foreign investor, as long as such FIE was established prior to the effectiveness of the M&A Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Based on its understanding of current PRC laws, regulations and rules, and the official opinion issued by the Dalian Foreign Trade and Economic Cooperation Bureau* (大連市對外貿易經濟合作局) on August 7, 2012, our PRC legal advisor has advised that our Reorganization and the Listing are not subject to the requirements under the M&A Rules and do not require any approval from the CSRC or the head office of the Ministry of Commerce because (i) Haichang China, holding all the existing projects through Haichang Travel, was established as an FIE prior to the effectiveness of M&A Rules. Therefore, our Reorganization in respect of the acquisition of Haichang China should be governed by the Several Provisions for the Alteration of Investors' Equities in Foreign Investment Enterprises (《外商投資企業投資者股權變更的若干規定》) rather than the M&A Rules; and (ii) Haichang Enterprise Development transferred its 100% equity interests in Haichang Travel to Haichang China, as a result of which Haichang Travel became a wholly-owned subsidiary of Haichang China. Such equity transfer was governed by the Interim Provisions on the Domestic Investment of Foreign-funded Enterprises (《關於外商投資企業境內投資的暫行規定》) rather than the M&A Rules.

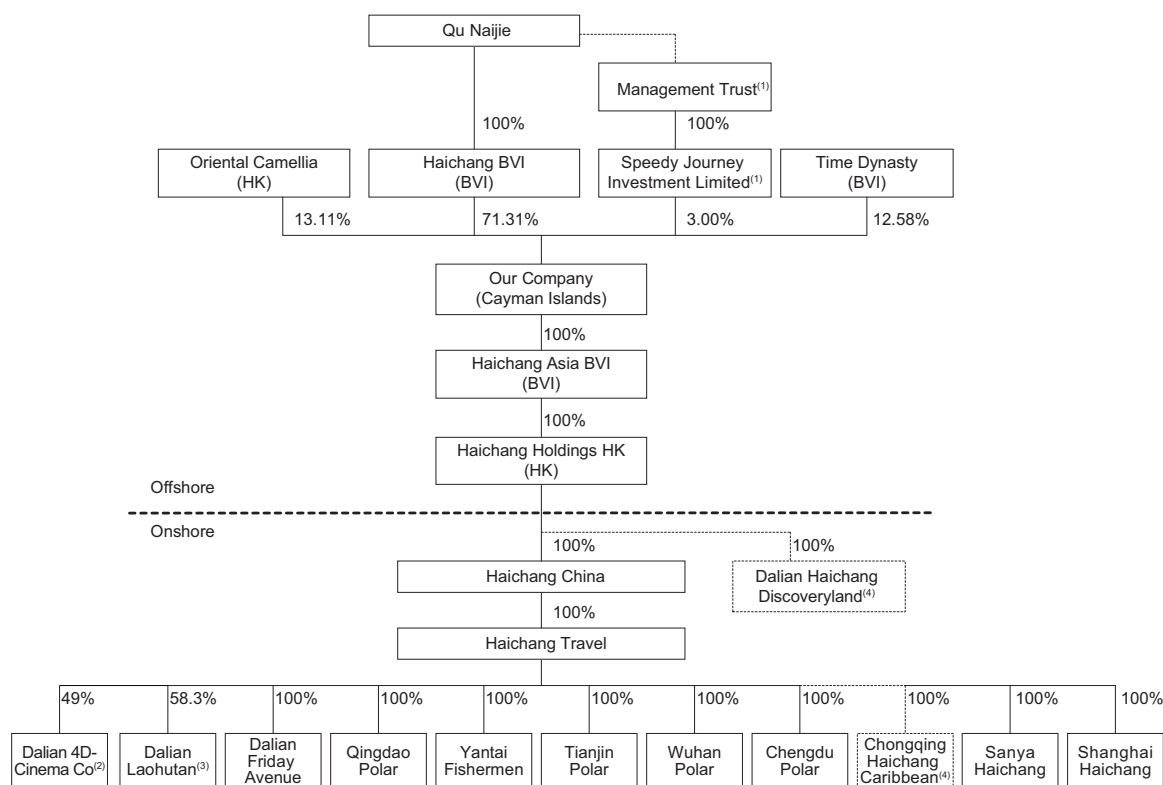
SAFE Regulations

SAFE promulgated the Notice on the Relevant issues Concerning Foreign Exchange Administration of Financing and Return Investment Undertaken by Domestic Residents Through Overseas Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》, "Notice 75") on October 21, 2005, which became effective on November 1, 2005. SAFE later issued a series of subsequent rules, including the Notice of SAFE on Printing and Distributing the Implementing Rules for the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies (《境內居民通過境外特殊目的公司融資及返程投資外匯管理操作規程》), which became effective on July 1, 2011. Notice 75 and these implementing rules require PRC domestic residents and PRC corporate entities to register or file with relevant PRC government authorities in connection with their direct or indirect offshore investment activities, the round trip investment by such offshore entities into the PRC, as well as subsequent changes in share capital. Qu Naijie falls within this definition of domestic resident natural person and therefore the aforesaid regulations apply to him. Qu Naijie has obtained requisite registrations from the Dalian branch of SAFE in accordance with the requirements set forth under Notice 75 and the relevant implementing rules on August 14, 2012.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

The following chart sets forth our corporate structure immediately after the Reorganization and prior to the completion of the Listing:

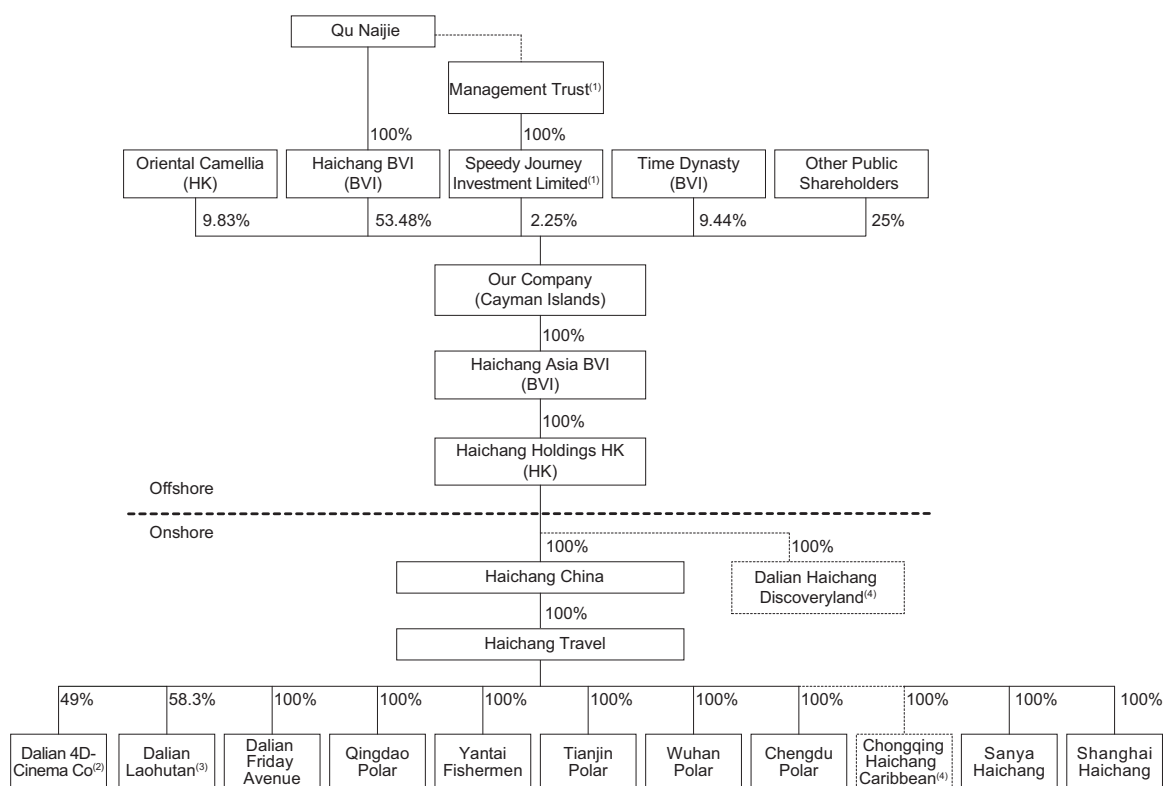


Notes:

- (1) The Management Trust is a revocable discretionary trust settled by Qu Naijie as settlor with Cantrust (Far East) Limited as trustee for the purposes of recognizing and rewarding the contributions of certain eligible persons ("Beneficiaries"). On January 22, 2014, Haichang BVI, which is wholly-owned by Qu Naijie, transferred 3,431,760 Shares in our Company, representing approximately 3% of the then issued share capital of our Company, to Speedy Journey Investment Limited to hold the said Shares as nominee for Cantrust (Far East) Limited as trustee of the Management Trust. Speedy Journey Investment Limited is 100% owned by Cantrust (Far East) Limited as trustee of the Management Trust. It is the intention of Qu Naijie and the trustee that the Beneficiaries of the Management Trust include Qu Naijie himself and a group of eligible persons who had contributed or will contribute to the development and operations of our Group. The group of eligible persons comprises persons who are currently employees of our Group and any such persons who have contributed or will contribute to the operations and development of our Group, and these Beneficiaries may hold up to approximately 2.25% of the share capital of our Company after the Listing (on a fully diluted basis assuming no exercise of the Over-allotment Option and no Shares will be granted under the Share Option Scheme). Cantrust (Far East) Limited as trustee has the discretionary powers to, among others, allocate all or a portion of the trust fund of the Management Trust (including the Shares held by Speedy Journey Investment Limited), but Qu Naijie, as settlor of the Management Trust, may request Cantrust (Far East) Limited as trustee to make distributions of such Shares to one or more Beneficiaries, including himself. As of the Latest Practicable Date, no decision had been made by Qu Naijie or the trustee with respect to any such distribution.
- (2) The remaining 51% in Dalian 4D-Cinema Co is held by Haichang Group Co.
- (3) The remaining 41.7% in Dalian Laohutan is held by Hutun Park. Save and except for the interest it held in Dalian Laohutan, Hutun Park does not have any other shareholding in our Group.
- (4) Completion of the Acquisitions will take place after the Listing.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following chart sets forth our corporate structure immediately following the completion of the Listing, assuming the Over-allocation Option is not exercised:



Notes:

- (1) The Management Trust is a revocable discretionary trust settled by Qu Naijie as settlor with Cantrust (Far East) Limited as trustee for the purposes of recognizing and rewarding the contributions of certain eligible persons ("Beneficiaries"). On January 22, 2014, Haichang BVI, which is wholly-owned by Qu Naijie, transferred 3,431,760 Shares in our Company, representing approximately 3% of the then issued share capital of our Company, to Speedy Journey Investment Limited to hold the said Shares as nominee for Cantrust (Far East) Limited as trustee of the Management Trust. Speedy Journey Investment Limited is 100% owned by Cantrust (Far East) Limited as trustee of the Management Trust. It is the intention of Qu Naijie and the trustee that the Beneficiaries of the Management Trust include Qu Naijie himself and a group of eligible persons who had contributed or will contribute to the development and operations of our Group. The group of eligible persons comprises persons who are currently employees of our Group and any such persons who have contributed or will contribute to the operations and development of our Group, and these Beneficiaries may hold up to approximately 2.25% of the share capital of our Company after the Listing (on a fully diluted basis assuming no exercise of the Over-allocation Option and no Shares will be granted under the Share Option Scheme). Cantrust (Far East) Limited as trustee has the discretionary powers to, among others, allocate all or a portion of the trust fund of the Management Trust (including the Shares held by Speedy Journey Investment Limited), but Qu Naijie, as settlor of the Management Trust, may request Cantrust (Far East) Limited as trustee to make distributions of such Shares to one or more Beneficiaries, including himself. As of the Latest Practicable Date, no decision had been made by Qu Naijie or the trustee with respect to any such distribution.
- (2) The remaining 51% in Dalian 4D-Cinema Co is held by Haichang Group Co.
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- (4) Completion of the Acquisitions will take place after the Listing.