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**海南美蘭國際空港股份有限公司**  
**Hainan Meilan International Airport Company Limited\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 357)**

**MAJOR AND CONNECTED TRANSACTION**  
**THE 2020 PARENT COMPANY DOMESTIC SHARES SUBSCRIPTION AGREEMENT,**  
**PROPOSED NEW H SHARES ISSUE UNDER SPECIFIC MANDATE**  
**AND**  
**PROPOSED CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**THE 2020 PARENT COMPANY DOMESTIC SHARES SUBSCRIPTION AGREEMENT**

References are made to the circular of the Company dated 28 April 2017 and the poll results announcement of the Company dated 26 June 2017 in relation to, among other things, the Past Parent Company Subscription. Given that the validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Past Parent Company Subscription expired on 25 June 2020, on 24 July 2020, the Company and the Parent Company entered into the 2020 Parent Company Domestic Shares Subscription Agreement, pursuant to which the Parent Company agreed to subscribe for the Subscription Shares, being not more than 140,741,000 new Domestic Shares as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company.

**PROPOSED NEW H SHARES ISSUE UNDER SPECIFIC MANDATE**

References are made to the circular of the Company dated 28 April 2017 and the poll results announcement of the Company dated 26 June 2017 in relation to, among other things, the Past New H Shares Issue. Given that the validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Past New H Shares Issue expired on 25 June 2020, on 24 July 2020, the Board resolved to convene the EGM and the Class Meetings for the grant of the proposed Specific Mandate to the Board to issue not more than 155,000,000 New H Shares, representing not more than 32.75% of the total share capital of the Company before the Parent Company Subscription and the New H Shares Issue, and approximately 20.16% of total share capital of the Company as enlarged by the Parent Company Subscription (assuming the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company) and the New H Shares Issue; and representing not more than 68.31% of share capital of H Shares of the Company before the New H Shares Issue, and 40.59% of share capital of H Shares of the Company as enlarged by the New H Shares Issue.

\* For identification purposes only

## **PROPOSED CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

On 24 July 2020, the Board resolved to convene the EGM and the Class Meetings for the grant of authority to make consequential amendments to the Articles of Association as the Board thinks fit to reflect the latest registered capital structure of the Company as a result of each of the issuance of the Subscription Shares and the New H Shares.

### **LISTING RULES IMPLICATIONS**

As of the date of this announcement, the Parent Company holds 50.19% of the total issued Shares of the Company and is a substantial shareholder of the Company, and therefore constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2020 Parent Company Domestic Shares Subscription Agreement constitute connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios (as defined under the Listing Rules) in respect the transactions contemplated under the 2020 Parent Company Domestic Shares Subscription Agreement are more than 25% but less than 100%, such transactions also constitute major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

### **GENERAL**

The EGM and the Class Meetings will be convened to consider and, if thought fit, approve, among other things, (i) the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; (ii) the proposed New H Shares Issue; and (iii) the proposed consequential amendments to the Articles of Association. The Parent Company, which controls over the voting right in respect of its shares in the Company, will abstain from voting on the resolutions to be proposed at the EGM and the Domestic Shareholders Class Meeting for approving the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder, the proposed New H Shares Issue and the proposed consequential amendments to the Articles of Association; (ii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; (iii) the letter from the Independent Board Committee to the Independent Shareholders in relation to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; and (iv) the notices of the EGM and the Class Meetings will be despatched to the Shareholders on or before 14 August 2020.

**As the proposed issuance of new Domestic Shares pursuant to the 2020 Parent Company Domestic Shares Subscription Agreement and the proposed New H Shares Issue may or may not be completed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **BACKGROUND**

References are made to the circular of the Company dated 28 April 2017, the poll results announcement of the Company dated 26 June 2017 and the announcement of the Company dated 30 September 2019 in relation to, among other things, the Past Parent Company Subscription and the Past New H Shares Issue. References are also made to the circular of the Company dated 6 March 2018, the poll results announcement of the Company dated 20 March 2018, the circular of the Company dated 18 April 2019, the poll results announcement of the Company dated 3 June 2019, the circular of the Company dated 7 January 2020 and the poll results announcement of the Company dated 21 February 2020 in relation to, among other things, the extension of validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Past Parent Company Subscription and the Past New H Shares Issue.

Pursuant to the Past Parent Company Subscription, the Parent Company agreed to subscribe for the new Domestic Shares, which included (i) 189,987,125 new Domestic Shares as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company; and (ii) 12,500,000 new Domestic Shares by cash at an aggregate subscription price of RMB100,000,000 (equivalent to approximately HK\$111,632,061), at the subscription price of RMB8.00 (equivalent to approximately HK\$8.93) per new Domestic Share. Pursuant to the Past New H Shares Issue, the Company may proceed to place not more than 200,000,000 new H Shares to qualified institutional, corporate and individual and other investors. The validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Past Parent Company Subscription and the Past New H Shares Issue expired on 25 June 2020.

In view of the foregoing, the Company and the Parent Company entered into the 2020 Parent Company Domestic Shares Subscription Agreement, pursuant to which the Parent Company agreed to subscribe for the Subscription Shares, being not more than 140,741,000 new Domestic Shares as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company. There is no other material change on the terms of the 2020 Parent Company Domestic Shares Subscription Agreement as compared to those of the Past Parent Company Domestic Shares Subscription Agreements, except for the adjustments on the subscription price, number and method for the Subscription Shares. Meanwhile, the Board has proposed the New H Shares Issue.

## **THE 2020 PARENT COMPANY DOMESTIC SHARES SUBSCRIPTION AGREEMENT**

The principal terms of the 2020 Parent Company Domestic Shares Subscription Agreement are set out as follows:

### **Date**

24 July 2020

### **Parties**

- (i) the Company; and
- (ii) the Parent Company

### **Subscription Shares**

Pursuant to the 2020 Parent Company Domestic Shares Subscription Agreement, the Parent Company agreed to subscribe for the Subscription Shares, being not more than 140,741,000 new Domestic Shares as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company.

The total subscription price for the Subscription Shares is approximately RMB1.520 billion, being the consideration for the transfer of the Phase I Runway Assets, which is determined based on the aggregate appraised asset value of the Phase I Runway Assets as at 30 June 2020 (i.e. approximately RMB1.520 billion).

The Subscription Shares will be allotted and issued at a subscription price which is the highest of the followings:

- (1) RMB10.80 (equivalent to approximately HK\$12.06) per Subscription Share, being the audited net asset value per Share of the Company as at 31 December 2019; or
- (2) the audited net asset value per Share of the Company as at the end of the financial year preceding the Effective Date; or
- (3) 90% of the highest among the followings:
  - (i) the closing price of H Share as quoted on the Stock Exchange at the Effective Date;
  - (ii) the average closing price of H Shares as quoted on the Stock Exchange over the last five (5) trading days prior to the Effective Date;
  - (iii) the average closing price of H Shares as quoted on the Stock Exchange over the last ten (10) trading days prior to the Effective Date; and
  - (iv) the average closing price of H Shares as quoted on the Stock Exchange over the last twenty (20) trading days prior to the Effective Date.

Such pricing mechanism of the subscription price was determined after arm's length negotiation between the Company and the Parent Company after taking into account the conditions of the civil aviation industry, the business pattern, the operation status and prospects and the asset quality of the Company, and with reference to the net asset value per Share of the Company, the market price of the H Shares and the market conditions at the Effective Date. The applicable exchange rate of Renminbi to Hong Kong dollars shall be the exchange rate of Renminbi to Hong Kong dollars promulgated by the People's Bank of China on the Effective Date.

Solely for illustration purposes, the minimum subscription price of RMB10.80 (equivalent to approximately HK\$12.06) per Subscription Share represents:

- (a) a discount of approximately 73.23% of the closing price of HK\$45.05 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 69.67% of the average closing price of HK\$39.76 per H Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 67.06% of the average closing price of HK\$36.61 per H Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day.

The final amount of the Subscription Shares is to be calculated by dividing the total subscription price for the Subscription Shares by the final subscription price per Subscription Share.

Solely for illustration purposes, assuming a subscription price of RMB10.80 (equivalent to approximately HK\$12.06) per Subscription Share, the amount of the Subscription Shares is approximately 140,740,741 and the nominal value of the Subscription Shares is approximately RMB140,740,741.

The final issuance proposal of the Subscription Shares will be subject to the issuance proposal to be approved by the relevant securities regulatory authorities, the EGM and the Class Meetings. A separate announcement will be made by the Company after the final issuance proposal of the Subscription Shares has been determined.

The Directors (excluding the independent non-executive Directors who reserve their view pending receipt of advice from Octal Capital) consider that the transactions contemplated under the 2020 Parent Company Domestic Shares Subscription Agreement will be conducted in the ordinary and usual course of business of the Company, and the terms and conditions of the 2020 Parent Company Domestic Shares Subscription Agreement have been negotiated on an arm's length basis, and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Phase I Runway Assets**

The Phase I Runway Assets which consist of Phase I runway of Meilan Airport and other auxiliary facilities, are located at the Meilan Airport in Haikou City, Hainan Province, the PRC. Phase I runway of Meilan Airport is approximately 3,600 meters long and 60 meters wide, equipped with the parallel taxiway which is approximately 3,600 meters long and 44 meters wide, 78 aircraft parking stands, globally advanced navigational lighting aid system, communication navigation equipment and other service facilities. It can satisfy the full-weight takeoff and landing requirements of large aircrafts, such as Boeing 747-400 and handled more than 24.22 million passengers in 2019. The original cost of the construction of the Phase I Runway Assets of the Parent Company was approximately RMB592,255,000.

Prior to the acquisition of the Phase I Runway Assets under the 2020 Parent Company Domestic Shares Subscription Agreement, the Phase I Runway Assets is owned and operated by the Parent Company. Pursuant to an agreement (the “**Runway Agreement**”) entered into between the Parent Company and the Company dated 25 October 2002, the Parent Company agreed to, among others, operate and maintain the runway and other ancillary assets (including Phase I Runway Assets) in accordance with the applicable regulatory and industrial standards and keep the runway in good working condition in consideration for a right to 25% of certain of the aircraft movement fees, passenger charges and basic ground handling service fees (the “**Service Fees**”) as set out in the Runway Agreement. Please refer to the prospectus of the Company dated 6 November 2002 for further details on the Runway Agreement.

The Company did not purchase all the runway assets listed in the Runway Agreement from the Parent Company as the Directors consider that the Phase I Runway Assets to be acquired by the Company have higher profitability than other remaining assets of Phase I runway of Meilan Airport (the “**Remaining Phase I Runway Assets**”). The Remaining Phase I Runway Assets mainly include River Diversion Exterior Drainage System (河流改道外排水系統) and enclosing road (圍場路).

Upon the completion of the acquisition of the Phase I Runway Assets, the Phase I Runway Assets will be wholly owned by the Company and the Company will enter into a supplemental agreement with the Parent Company to reduce the Parent Company’s share of Service Fees from 25% to such decreased amount to be approved by CAAC to reflect the change in the ownership of the Phase I Runway Assets. Further disclosure in relation to such supplemental agreement will be made by the Company in accordance with the Listing Rules as and when appropriate.

### **Conditions precedent**

Effectiveness of the 2020 Parent Company Domestic Shares Subscription Agreement is conditional upon fulfilment of the following conditions or otherwise agreed by the Parent Company and the Company in writing or waived by the Company in writing:

- (a) the passing of resolutions by the Board and the Independent Shareholders at the EGM and the Class Meetings in accordance with the Articles of Association and the Listing Rules approving, among others, the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder;
- (b) the passing of resolutions by the general meeting of the Parent Company approving the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; and
- (c) the obtaining of approvals from relevant competent departments and/or regulatory authorities, including but not limited to the CSRC, the Stock Exchange (where applicable) and the SFC (where applicable), in relation to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder.

The Company currently expects that it will take approximately seven (7) months for the Company to obtain the CSRC approval for the Parent Company Subscription and five (5) months to complete the closing work of the Parent Company Subscription. Accordingly, the Company expects to complete the Parent Company Subscription within twelve (12) months following the passing of the relevant resolutions at the EGM and the Class Meetings and the resolutions relating to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder to be set out in the notices of the EGM and the Class Meetings will be valid for an initial term of twelve (12) months, commencing from the date of passing of the relevant resolutions at the EGM and the Class Meetings.

If any of the above conditions precedent is not fulfilled or waived within the initial term of twelve (12) months, the Parent Company Subscription will terminate and the Company will re-comply with the requirements under the Listing Rules, including re-obtaining the approval of the Shareholders.

### **Authorisation to the Board**

The Board will seek the Shareholders' authorisation at each of the EGM and the Class Meetings to authorise the Board and the persons delegated by the Board to deal with all the matters in relation to the issuance of the Subscription Shares with full authority for an initial term of twelve (12) months following the passing of the relevant resolution(s) at the EGM and the Class Meetings. Such matters include but are not limited to:

- (1) within the issuance proposal of the Subscription Shares to be considered and approved at the EGM and the Class Meetings, make amendments to and improvement in the issuance proposal subject to the provisions of laws and regulations in the PRC and overseas, review opinions of relevant securities regulatory authorities and the actual needs of the Company (other than those matters that must be re-voted by the general meeting and class meeting pursuant to the relevant laws and regulations and the Articles of Association);
- (2) determine the final price and number of issuance of the Subscription Shares, and negotiate with the Parent Company to amend, supplement, enter into and execute all agreements and any supplementary agreements or other documents (if any) in relation to the issuance of the Subscription Shares;
- (3) decide with discretion the timing for issuance of the Subscription Shares;
- (4) carry out review, registration, filing, approval and consent procedures with the relevant PRC and overseas regulatory departments or authorities and the Stock Exchange in connection with the issuance of the Subscription Shares;
- (5) decide the engagement of relevant intermediaries and related issues;
- (6) approve and authorise the Company to carry out registration procedures for Domestic Shares in relation to the issuance of the Subscription Shares with China Securities Depository and Clearing Corporation Limited;
- (7) make consequential amendments to the Articles of Association as it thinks fit according to the actual status of issuance of the Subscription Shares and/or the requirements of regulatory authorities within and outside the PRC (if any), and carry out corresponding procedures for approval and industrial and commercial registration of change in connection to the increase in registered capital, and take other actions as necessary;

- (8) adjust or waive in time any one of the conditions precedent for the 2020 Parent Company Domestic Shares Subscription Agreement becoming effective based on the actual conditions; and
- (9) take all necessary actions to deal with the matters in relation to the issuance of the Subscription Shares.

Upon the authorisation by the Shareholders at the EGM and the Class Meetings as mentioned above, the Board will delegate such authorisation to Mr. Wang Zhen (王貞先生) and Mr. Yu Yan (遇言先生), both being executive Directors, severally or jointly, or any senior management of the Company designated by either of them, to exercise with full discretion the authorisation granted by the Shareholders to the Board as mentioned above.

## **LISTING RULES IMPLICATIONS**

As of the date of this announcement, the Parent Company holds 50.19% of the total issued Shares of the Company and is a substantial shareholder of the Company, and therefore constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2020 Parent Company Domestic Shares Subscription Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratios (as defined under the Listing Rules) in respect the transactions contemplated under the 2020 Parent Company Domestic Shares Subscription Agreement are more than 25% but less than 100%, such transactions also constitute major transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Each of Mr. Wang Zhen, Mr. Wang Hong, Mr. Wang Hexin, Mr. Yu Yan and Mr. Xing Zhoujin is interested in the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder as they are nominated to the Board by the Parent Company, and therefore had abstained from voting on the relevant resolutions of the Board approving the same.

## **PROPOSED NEW H SHARES ISSUE UNDER SPECIFIC MANDATE**

### **Introduction**

On 29 September 2019, the Company entered into the Past New H Shares Subscription Agreement. However, as the relevant conditions precedent have not been fulfilled or waived on or before the long stop date, being 25 June 2020, the Past New H Shares Subscription Agreement has automatically terminated. The validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Past New H Shares Issue also expired on 25 June 2020.

In order to further promote the issuance of the New H Shares, the Board has resolved to convene the EGM and the Class Meetings for the grant of the proposed Specific Mandate to the Board to issue not more than 155,000,000 New H Shares, representing not more than 32.75% of the total share capital of the Company before the Parent Company Subscription and the New H Shares Issue, and approximately 20.16% of total share capital of the Company as enlarged by the Parent Company Subscription (assuming the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company) and the New H Shares Issue; and representing not more than 68.31% of share capital of H Shares of the Company before the New H Shares Issue, and 40.59% of share capital of H Shares of the Company as enlarged by the New H Shares Issue.

### **Proposed Issue of the New H Shares**

#### ***(a) Class of Shares to be issued***

Shares to be issued are H Shares with nominal value of RMB1.00 each.

#### ***(b) Time of issuance***

The Company will select an appropriate time and issuance window within the validity period of the resolutions to be passed at the EGM and the Class Meetings to proceed with the New H Shares Issue. The specific time of issue will be determined by the Board with reference to the international capital market conditions, as well as the progress of review by the domestic and foreign administrative and/or regulatory authorities.

#### ***(c) Size of issuance***

The New H Shares to be issued shall not exceed 155,000,000 Shares, representing not more than 32.75% of the total share capital of the Company before the Parent Company Subscription and the New H Shares Issue, and approximately 20.16% of total share capital of the Company as enlarged by the Parent Company Subscription (assuming the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company) and the New H Shares Issue; and representing not more than 68.31% of share capital of H Shares of the Company before the New H Shares Issue, and 40.59% of share capital of H Shares of the Company as enlarged by the New H Shares Issue.

#### ***(d) Ranking of New H Shares***

Unless otherwise required by the applicable PRC laws and regulations and the Articles of Association, the New H Shares proposed to be issued should rank pari passu with the existing issued Domestic Shares and H Shares in all respects.

**(e) Listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the New H Shares to be allotted and issued.

**(f) Method of issuance**

The proposed New H Shares Issue will be carried out by way of private placement.

**(g) Target placee(s)**

Upon the grant of the Specific Mandate, the Board may proceed to place the New H Shares to qualified institutional, corporate and individual and other investors, who will be independent of and not connected with any Director, supervisor, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates.

If any investor of the New H Shares becomes a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the completion of the New H Shares Issue, the Company will ensure compliance with the public float requirement under Rule 8.08(1) of the Listing Rules upon completion of the New H Shares Issue. If the number of the placee(s) is less than six (6), the Company will comply with the disclosure requirements under Rule 13.28(7) of the Listing Rules.

**(h) Pricing mechanism**

The New H Shares will be issued at an issue price which is the highest of the followings:

- (1) RMB10.80 (equivalent to approximately HK\$12.06) per Subscription Share, being the audited net asset value per Share of the Company as at 31 December 2019; or
- (2) the audited net asset value per Share of the Company as at the end of the financial year preceding the Date of Relevant Agreement; or
- (3) 90% of the highest among the followings:
  - (i) the closing price of H Share as quoted on the Stock Exchange at the Date of Relevant Agreement;
  - (ii) the average closing price of H Shares as quoted on the Stock Exchange over the last five (5) trading days prior to the Date of Relevant Agreement;

- (iii) the average closing price of H Shares as quoted on the Stock Exchange over the last ten (10) trading days prior to the Date of Relevant Agreement; and
- (iv) the average closing price of H Shares as quoted on the Stock Exchange over the last twenty (20) trading days prior to the Date of Relevant Agreement.

Such pricing mechanism of the issue price was determined by the Board after taking into account the interests of existing Shareholders, investors' capabilities, the potential issuance risks, the market practice and applicable regulatory requirements, as well as the conditions of the civil aviation industry, the business pattern, the operation status and prospects and the asset quality of the Company and with reference to the net asset value per Share of the Company, the market price of the H Shares and the market conditions at the Date of Relevant Agreement. The applicable exchange rate of Renminbi to Hong Kong dollars shall be the exchange rate of Renminbi to Hong Kong dollars promulgated by the People's Bank of China on the Date of Relevant Agreement.

**(i) Method of subscription**

The New H Shares are to be subscribed by the investors in cash, and issued and allotted in accordance with the terms of the subscription agreement(s) to be entered into between the Company and the placee(s) and/or the placing agreement(s) to be entered into between the Company and the placing agent(s) in relation to the proposed New H Shares Issue.

**(j) Accumulated profits**

Any accumulated profits of the Company which remain undistributed immediately before the proposed New H Shares Issue shall be for the benefit of all the Shareholders (including the subscriber(s) of the New H Shares) as a whole.

**(k) Use of proceeds**

Please refer to the section headed "Use of Proceeds" in this announcement for details.

**(l) Validity period of the resolutions**

The resolutions relating to the Specific Mandate to be set out in the notices of the EGM and the Class Meetings will be valid for an initial term of twelve (12) months, commencing from the date of passing of the relevant resolutions at the EGM and the Class Meetings.

There is no other material change on the proposal of the New H Shares Issue as compared to that of the Past New H Shares Issue, except for the adjustments on the size of issuance, the pricing mechanism and the use of proceeds.

## **Proposed Specific Mandate to Issue the New H Shares**

The Board will seek the Shareholders' authorisation at each of the EGM and the Class Meetings to authorise the Board and the persons delegated by the Board to deal with all the matters in relation to the New H Shares Issue with full authority for an initial term of twelve (12) months following the passing of the relevant resolution(s) at the EGM and the Class Meetings. Such matters include but are not limited to:

- (1) execute and submit all the relevant applications, reports and other documents to the relevant PRC and overseas regulatory departments or authorities and deal with all the relevant approvals, registration, filing, sanction and permission;
- (2) determine the terms of the proposed New H Shares Issue, including the determination of the actual size, issue price (including the price range and final price), timing, method and target placee(s) of the proposed New H Shares Issue, the execution, implementation, modification and termination of any agreement, contract or other documents in relation to the exercise of the Specific Mandate to issue the New H Shares, making adjustment to the use of proceeds of the proposed New H Shares Issue, and any other relevant matter;
- (3) negotiate and enter into subscription agreement(s) with the placee(s) and/or the placing agreement(s) with the placing agent(s) in relation to the proposed New H Shares Issue, and approving any revision or amendments to such agreement(s);
- (4) deal with all the matters in relation to obtaining all the approvals and permissions from the relevant authorities including but not limited to CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the proposed New H Shares Issue;
- (5) depending on the requirements at the time of the issuance, engage and appoint financial advisor, the placing agent(s), PRC and overseas legal advisers and other relevant agencies in relation to the proposed New H Shares Issue and enter into engagement or appointment letters and other relevant legal documents;
- (6) make appropriate amendments to the terms of the proposed New H Shares Issue in light of the specific circumstances and pursuant to the approval(s) by the relevant regulatory authorities;
- (7) execute, implement, amend and complete any document and do any act as necessary and appropriate in relation to the proposed New H Shares Issue;

- (8) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the proposed New H Shares Issue on the websites of the Stock Exchange and the Company, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (9) obtain the approval from the Stock Exchange for listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Shares Issue on the Main Board of the Stock Exchange;
- (10) adjust or waive in time any one of the conditions precedent for the proposed New H shares Issue based on the actual conditions; and
- (11) take all necessary actions to deal with the matters in relation to the proposed New H Shares Issue.

Upon the authorisation by the Shareholders at the EGM and the Class Meetings as mentioned above, the Board will delegate such authorisation to Mr. Wang Zhen (王真先生) and Mr. Yu Yan (遇言先生), both being executive Directors, severally or jointly, or any senior management of the Company designated by either of them, to exercise with full discretion the authorisation granted by the Shareholders to the Board as mentioned above.

### **Conditions Precedent**

The New H Shares Issue is subject to (i) the approval of relevant resolutions to be proposed at the EGM; (ii) the approval of relevant resolutions to be proposed at the Class Meetings; (iii) the approvals from the relevant competent departments and/or regulatory authorities, including but not limited to the CSRC, the Stock Exchange (where applicable) and SFC (where applicable); (iv) the 2020 Parent Company Domestic Shares Subscription Agreement becoming effective and the Parent Company Subscription is completed; (v) the entering into of the subscription agreement(s) between the Company and the placee(s) and/or the placing agreement(s) between the Company and the placing agent(s) in relation to the proposed New H Shares Issue and such agreement(s) not being terminated in accordance with the terms therein; and (vi) the Listing Committee granting listing of and permission to deal in the New H Shares to be issued and allotted pursuant to the proposed New H Shares Issue.

If any of the above conditions precedent is not fulfilled or waived within the initial term of twelve (12) months, the New H Shares Issue will terminate and the Company will re-comply with the requirements under the Listing Rules, including re-obtaining the approval of the Shareholders.

The Company will submit new application documents in relation to the proposed New H Shares Issue to the CSRC. A separate announcement will be made if the Board proceeds to issue New H Shares pursuant to the proposed Specific Mandate.

## POSSIBLE CHANGES IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE

Solely for illustration purposes, assuming that: (i) the proposed Specific Mandate is granted by the Shareholders at the forthcoming EGM and Class Meetings; (ii) the Board exercises the proposed Specific Mandate in full; (iii) all conditions for the proposed New H Shares Issue have been satisfied or waived; (iv) the maximum of 155,000,000 New H Shares are issued pursuant to the proposed Specific Mandate; (v) the 2020 Parent Company Domestic Shares Subscription Agreement become effective; and (vi) the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company pursuant to the Parent Company Subscription, the possible changes in the share capital and shareholding structure of the Company will be as follows:

Class of Shares	As at the date of this announcement		Immediately after issuance of the Subscription Shares and the New H Shares	
	No. of Shares	Percentage of total issued Shares (%)	No. of Shares (maximum)	Percentage of total issued Shares (%)
<b>Domestic Share</b>				
Parent Company	237,500,000	50.19	378,241,000	49.19
Hainan Airlines Holding Co., Ltd.* (海南航空控股股份有限公司)	5,287,500	1.12	5,287,500	0.69
HNA Group Co., Ltd.* (海航集團有限公司)	3,512,500	0.74	3,512,500	0.46
<b>H Shares</b>				
H Shares in issue				
Soaring Eagle Industrial Limited <sup>1</sup>	50,920,650	10.76	50,920,650	6.62
Other public Shareholders	175,992,350	37.19	175,992,350	22.89
New H Shares	<u>0</u>	<u>0</u>	<u>155,000,000</u>	<u>20.16</u>
<b>Total Number of Issued Shares</b>	<u>473,213,000</u>	<u>100</u>	<u>768,954,000</u>	<u>100</u>

*Note 1:* As at the date of this announcement, Soaring Eagle Industrial Limited holds approximately 10.76% of the total issued Shares and therefore constitutes a connected person of the Company. However, immediately after issuance of the Subscription Shares and the New H Shares, its shareholding will be diluted to 6.62% and will no longer be a connected person of the Company and will be regarded as a public shareholder for the purpose of calculating public float.

As indicated above, the public float of the Company in such scenario will be at least 29.51%.

Assuming that the Company fails to issue any New H Shares and the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company pursuant to the Parent Company Subscription, the resulting changes in the issued share capital and shareholding structure of the Company will be as follows:

Class of Shares	As at the date of this announcement		Immediately after issuance of the Subscription Shares	
	No. of Shares	Percentage of total issued Shares (%)	No. of Shares (maximum)	Percentage of total issued Shares (%)
<b>Domestic Share</b>				
Parent Company	237,500,000	50.19	378,241,000	61.61
Hainan Airlines Holding Co., Ltd.* (海南航空控股股份有限公司)	5,287,500	1.12	5,287,500	0.86
HNA Group Co., Ltd.* (海航集團有限公司)	3,512,500	0.74	3,512,500	0.57
<b>H Shares</b>				
H Shares in issue				
Soaring Eagle Industrial Limited <sup>1</sup>	50,920,650	10.76	50,920,650	8.29
Other public Shareholders	175,992,350	37.19	175,992,350	28.67
New H Shares	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Number of Issued Shares</b>	<u>473,213,000</u>	<u>100</u>	<u>613,954,000</u>	<u>100</u>

*Note 1:* As at the date of this announcement, Soaring Eagle Industrial Limited holds approximately 10.76% of the total issued Shares and therefore constitutes a connected person of the Company. However, immediately after issuance of the Subscription Shares, its shareholding will be diluted to 8.29% and will no longer be a connected person of the Company and will be regarded as a public shareholder for the purpose of calculating public float.

As indicated above, the public float of the Company in such scenario will be 36.96%.

Therefore, the Company is able to comply with the minimum public float requirement in the above two scenarios after the completion of the Parent Company Subscription and the New H Shares Issue.

The Company would undertake to comply with the public float requirement under Rule 8.08(1) of the Listing Rules after completion of the Parent Company Subscription and the New H Shares Issue.

The Company confirms that it will comply with Rule 7.27B of the Listing Rules in respect of the Parent Company Subscription and New H Shares Issue.

The Company confirms that the acquisition of the Phase I Runway Assets, the Parent Company Subscription and the New H Shares Issue will not result in a change of control of the Company after the completion of such transactions.

## **PROPOSED CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

On 24 July 2020, the Board resolved to convene the EGM and the Class Meetings for the grant of authority to make consequential amendments to the Articles of Association as the Board thinks fit to reflect the latest registered capital structure of the Company as a result of each of the issuance of the Subscription Shares and the New H Shares.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2020 PARENT COMPANY DOMESTIC SHARES SUBSCRIPTION AGREEMENT AND THE PROPOSED NEW H SHARES ISSUE**

The validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Past Parent Company Subscription and the Past New H Shares Issue expired on 25 June 2020. Besides, as the relevant conditions precedent have not been fulfilled or waived on or before the long stop date, being 25 June 2020, the Past New H Shares Subscription Agreement has automatically terminated.

In order to further promote the issuance of the new Domestic Shares and the New H Shares, the Company entered into the 2020 Parent Company Domestic Shares Subscription Agreement with the Parent Company and proposes the New H Shares Issue after considering, among others, the following reasons:

### **1. Acquisition of the Phase I Runway Assets**

Prior to the acquisition of the Phase I Runway Assets under the 2020 Parent Company Domestic Shares Subscription Agreement, the Phase I Runway Assets is owned and operated by the Parent Company. The Directors are of the view that the current separation of operation of the Phase I Runway Assets and the terminal buildings of Meilan Airport leads to unclear delineation of responsibilities which affects the operational efficiency and security of Meilan Airport. The acquisition of the Phase I Runway Assets will enable the Company to better run its operational assets consistent with the "High Standard, Strict Compliance" (高標準，嚴要求) standards in the civil aviation industry.

In addition, upon the completion of the acquisition of the Phase I Runway Assets, the Parent Company's share of the Service Fees will reduce from 25% to such lesser amount to be approved by CAAC. The increase of the Service Fees to be received by the Company going forward, as a result of the acquisition of the Phase I Runway Assets, will strengthen the revenue stream and competitiveness of the Company.

To ensure the timely completion of the Parent Company Subscription and avoid the possible adverse impact of the tightening of local property transfer policies by the government of Haikou City, as agreed by both parties, as at the date of this announcement, the Parent Company has cooperated with the Company to complete the transfer and registration procedures of part of the Phase I Runway Assets in advance. Before the completion of the Parent Company Subscription, the Parent Company will still have the ownership and operation right of such part of the Phase I Runway Assets.

## **2. Equity fundraising to improve working capital**

As an important transportation hub for the construction of Hainan Free Trade Port, Meilan Airport is well positioned to capture opportunities in connection with the Hainan Free Trade Port. The Company believes that the proposed New H Shares Issue will improve its capital structure, strengthen its financial risk resilience, enhance its solvency and expand its financial base. As such, the Company wishes to take advantage of the relatively low cost to raise additional funds through the issuance of the New H Shares to the investors to replenish its working capital to equip the Group to carry out the renovation and expansion of infrastructure and the intelligent upgrade of the airport and to fund any operational needs of the Company (including the repayment of debts).

## **USE OF PROCEEDS**

Solely for illustration purposes, assuming the New H Shares are fully placed at the price of RMB10.80 (equivalent to approximately HK\$12.06), the gross proceeds from the proposed New H Shares Issue will be approximately RMB1,674,000,000 (equivalent to approximately HK\$1,868,721,000) and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately RMB1,651,000,000 (equivalent to approximately HK\$1,843,045,000).

The net proceeds from the proposed New H Shares Issue, after deducting relevant expenses, will be used as follows:

**1. Approximately 40% shall be used for expansions, upgrades, improvements and maintenance of existing terminal buildings and other areas of Meilan Airport**

The terminal buildings of Meilan Airport have been in use for over twenty (20) years. In order to consolidate existing operation level of Meilan Airport and to improve safety operation of Meilan Airport, it is expected that the Company will invest approximately 40% of the net proceeds in the upgrades, improvements and maintenance of the terminal buildings of Meilan Airport in 2020.

As at the date of this announcement, the Company has not entered into any agreement, arrangement, understanding or undertaking for the upgrades, improvements and maintenance of the terminal buildings of Meilan Airport.

**2. Approximately 35% shall be used to repay the loans and replenish the working capital of the Company**

To guarantee the smooth operation and to reduce the financing cost of the Company, approximately 35% of the net proceeds shall be used to repay the loans and replenish the working capital of the Company (including but not limited to operation cost of the Company, such as tax, labour cost, cost of water and electricity, environmental handling fee and afforestation fee).

**3. Approximately 25% shall be used for introducing innovative technology and upgrading Meilan Airport to a “smart airport”**

Since 2013, the Company has launched the “smart airport” project with remarkable achievements. The Company expects to invest approximately 25% of the net proceeds in construction projects in relation to “smart airport” including but not limited to the basic cloud platform (基礎雲平台), GIS (geographic information system), the information exchange platform and the data warehouse.

As at the date of this announcement, the Company has not entered into any agreement, arrangement, understanding or undertaking for investment in innovation technology.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE (12) MONTHS**

The Company has not conducted any equity fund raising activity or any issuance of equity securities in the twelve (12) months preceding the date of this announcement.

## **INFORMATION OF THE COMPANY AND THE PARENT COMPANY**

The Company is principally engaged in aeronautical and non-aeronautical businesses at Meilan Airport, in Hainan Province, the PRC.

The Parent Company is principally engaged in ancillary airport service business in the PRC. As at the date of this announcement, the Parent Company is owned as to 59.54% by certain PRC state-owned or state-controlled enterprises, including Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司) as to 29.98% (directly and indirectly), a company owned by Hainan government, CDB Development Fund Co., Ltd. (國開發展基金有限公司) as to 19.92%, a subsidiary of China Development Bank which is controlled by the PRC government, Hainan Airlines Holding Co., Ltd. (海南航空控股股份有限公司) as to 5.77%, China Southern Airlines Co., Ltd. (中國南方航空股份有限公司) as to 2.35% and China National Aviation Fuel Co., Ltd. (中國航空油料有限責任公司) as to 1.52%, a company controlled by State-owned Assets Supervision and Administration Commission. HNA Group Co., Ltd. (海航集團有限公司), a company controlled by Hainan Cihang Charity Foundation (海南省慈航公益基金會), holds 29.50% of equity interest in the Parent Company through its relevant subsidiaries. The remaining 10.96% of equity interest of the Parent Company is held by Hainan Hanghui Agricultural Development Co., Ltd. (海南航輝農業開發有限公司), a company owned by Feng Chao (馮超) and Wang Yuanyuan (王媛媛). Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司) is the largest shareholder of the Parent Company and is an investment holding company focusing on infrastructure and equity investments in Hainan Province. CDB Development Fund Co., Ltd. (國開發展基金有限公司) is a policy-oriented investment company focusing on investment in national key projects. Hainan Airlines Holding Co., Ltd. (海南航空控股股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code: 600221.SH), principally engaged in air transport business, air tour business and other air transport-related businesses. China Southern Airlines Co., Ltd. (中國南方航空股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code: 600029.SH), mainly providing air transport service, general aviation service, aircraft maintenance service and other aviation-related services. China National Aviation Fuel Co., Ltd. (中國航空油料有限責任公司) is principally engaged in the wholesale of gasoline, kerosene and diesel oil in the civil aviation system of the PRC. HNA Group Co., Ltd. (海航集團有限公司) is principally engaged in the air transport business and investment and management of airports, hotels and golf courses. Hainan Hanghui Agricultural Development Co., Ltd. (海南航輝農業開發有限公司) is principally engaged in the agricultural development and investment and operation of ecological and environmental protection projects, landscape gardening projects and water conservancy projects.

## **GENERAL**

The EGM and the Class Meetings will be convened to consider and, if thought fit, approve, among other things, (i) the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; (ii) the proposed New H Shares Issue; and (iii) the proposed consequential amendments to the Articles of Association. The Parent Company, which controls over the voting right in respect of its shares in the Company, will abstain from voting on the resolutions to be proposed at the EGM and the Domestic Shareholders Class Meeting for approving the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder.

Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquires, no other Shareholder has a material interest in the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder, the proposed New H Shares Issue, or the proposed consequential amendments to the Articles of Association, and no other Shareholder is required to abstain from voting on the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder, the proposed New H Shares Issue, or the proposed consequential amendments to the Articles of Association at the EGM and the Class Meetings.

The votes to be taken at the EGM and the Class Meetings in relation to the above proposed resolutions will be taken by poll.

The Independent Board Committee comprising four independent non-executive Directors, namely Mr. Deng Tianlin, Mr. Fung Ching, Simon, Mr. George F Meng and Mr. He Linji, none of whom has any direct or indirect interest in the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder, has been established to advise the Independent Shareholders in relation to their voting on the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder.

Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder, the proposed New H Shares Issue and the proposed consequential amendments to the Articles of Association; (ii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; (iii) the letter from the Independent Board Committee to the Independent Shareholders in relation to the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; and (iv) the notices of the EGM and the Class Meetings will be despatched to the Shareholders on or before 14 August 2020.

## DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“2020 Parent Company Domestic Shares Subscription Agreement”	the subscription agreement dated 24 July 2020 entered into between the Company and the Parent Company in relation to the Parent Company Subscription
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“CAAC”	Civil Aviation Administration of China (中國民用航空局)
“Class Meetings” and each as “Class Meeting”	the respective class meetings of the Domestic Shareholders and the H Shareholders to be convened by the Company immediately following the conclusion of the EGM or any adjournment thereof for the purposes of considering and, if thought fit, approving, among other things, (i) the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; (ii) the proposed New H Shares Issue; and (iii) the proposed consequential amendments to the Articles of Association, including any adjournment in respect thereof
“Company”	海南美蘭國際空港股份有限公司(Hainan Meilan International Airport Company Limited*), a joint stock company incorporated in the PRC with limited liability
“connected person(s)”	shall have the meaning as defined in the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Date of Relevant Agreement”	the date on which: (a) the subscription agreement(s) in respect of the New H Shares Issue is entered into between the Company and the placee(s); and/or (b) the placing agreement(s) in respect of the New H Shares Issue is entered into between the Company with the placing agent(s)

“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the domestic ordinary share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company, which is/are subscribed for in RMB
“Domestic Shareholder(s)”	holders of Domestic Shares
“Effective Date”	the effective date of the 2020 Parent Company Domestic Shares Subscription Agreement when all the relevant conditions precedent are fulfilled or waived
“EGM”	the extraordinary general meeting to be convened by the Company for the purposes of considering and, if thought fit, approving, among other things, (i) the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder; (ii) the proposed New H Shares Issue; and (iii) the proposed consequential amendments to the Articles of Association, including any adjournment in respect thereof
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising of all the independent non-executive Directors to advise the Independent Shareholders on the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder

“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who do not have any material interests in the 2020 Parent Company Domestic Shares Subscription Agreement and the transactions contemplated thereunder and are not required to abstain from voting at the EGM and the Class Meetings pursuant to the Listing Rules
“Last Trading Day”	23 July 2020, being the last trading day in the H Shares immediately before the date on which the 2020 Parent Company Domestic Shares Subscription Agreement was signed
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meilan Airport”	the civil airport known as 海口美蘭國際機場(Haikou Meilan International Airport*) located in Haikou City, Hainan Province, the PRC
“New H Shares”	the maximum number of 155,000,000 H Shares proposed to be issued upon the exercise of the Specific Mandate
“New H Shares Issue”	the issuance of the New H Shares by way of private placing upon the exercise of the Specific Mandate, if granted, subject to fulfilment of certain conditions stated in this announcement
“Parent Company”	海口美蘭國際機場有限責任公司(Haikou Meilan International Airport Co., Ltd.*), a limited liability company established in the PRC and the controlling shareholder of the Company

“Parent Company Subscription”	the subscription of the Subscription Shares by the Parent Company contemplated under the 2020 Parent Company Domestic Shares Subscription Agreement
“Past New H Shares Issue”	the issuance of the maximum number of 200,000,000 new H Shares by way of private placing, which has terminated
“Past New H Shares Subscription Agreement”	the Subscription Agreement as defined in the announcement of the Company dated 30 September 2019, which has terminated
“Past Parent Company Domestic Shares Subscription Agreements”	the Parent Company Domestic Shares Subscription Agreements as defined in the announcement of the Company dated 30 September 2019, which have terminated
“Past Parent Company Subscription”	the subscription of the 202,487,125 new Domestic Shares by the Parent Company contemplated under the Past Parent Company Domestic Shares Subscription Agreements, which has terminated
“Phase I Runway Assets”	the Phase I runway of Meilan Airport and other auxiliary facilities as more particularly described in the 2020 Parent Company Domestic Shares Subscription Agreement
“PRC”	the People’s Republic of China and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	the Domestic Shareholders and the H Shareholders
“Shares”	Domestic Shares and H Shares
“Specific Mandate”	the specific mandate proposed to be granted to the Board by the Shareholders at the EGM and the Class Meetings to issue not more than 155,000,000 New H Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	the maximum number of 140,741,000 new Domestic Shares proposed to be subscribed by the Parent Company pursuant to the 2020 Parent Company Domestic Shares Subscription Agreement
“%”	per cent

*For the purpose of this announcement, the exchange rate of HK\$1.00 = RMB0.8958 has been used for currency translation, where applicable. Such exchange rate is for illustrative purpose only and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such a rate.*

By order of the Board  
**Hainan Meilan International Airport Company Limited\***  
**Wang Zhen**  
*Chairman*

Haikou, the PRC  
24 July 2020

*As at the date of this announcement, the Board comprises (i) five executive directors, namely Mr. Wang Zhen, Mr. Wang Hong, Mr. Wang Hexin, Mr. Yu Yan and Mr. Xing Zhoujin; (ii) two non-executive directors, namely Mr. Chan Nap Kee, Joseph and Mr. Yan Xiang; and (iii) four independent non-executive directors, namely Mr. Deng Tianlin, Mr. Fung Ching, Simon, Mr. George F Meng and Mr. He Linji.*

\* *For identification purposes only*