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**海南美蘭國際機場股份有限公司**

**Hainan Meilan International Airport Company Limited\***

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

**(Stock Code: 357)**

**SUPPLEMENTAL AGREEMENT  
IN RESPECT OF  
VERY SUBSTANTIAL ACQUISITION  
AND  
RESUMPTION OF TRADING**

**KINGWARD SUPPLEMENTAL AGREEMENT**

Reference is made to the Announcements of the Company and the Circular of the Company in relation to, amongst others, the Acquisition.

Upon further negotiations between the parties to the Kingward Agreement, Kingward and the Company entered into the Kingward Supplemental Agreement on 8 November 2010 to vary certain terms and conditions of the Kingward Agreement as set out in this announcement.

Reference is made to the announcements of the Company dated 6 April 2010 and 21 April 2010 respectively (the “**Announcements**”) and the circular of the Company dated 13 May 2010 in relation to, amongst others, the Acquisition (the “**Circular**”). Definitions and terms used in this announcement, unless the context requires otherwise, shall bear the same meanings as defined in the Circular.

Upon further negotiations between the parties to the Kingward Agreement, Kingward as the vendor and the Company as the purchaser entered into a supplemental agreement on 8 November 2010 (the “**Kingward Supplemental Agreement**”) to vary certain terms and conditions of the Kingward Agreement.

## THE KINGWARD SUPPLEMENTAL AGREEMENT

Date: 8 November 2010

### Parties

Vendor: Kingward  
Purchaser: the Company

The parties agree to vary certain terms and conditions of the Kingward Agreement as follows:-

### Effective Date

1. Subject to obtaining all approvals from competent authorities necessary for the completion of the share transfer agreement dated 8 November 2010 between Worldwide & Asian Development Bank, the effective date for the Kingward Agreement is to be postponed to no later than 10 December 2010 (“**Effective Date**”);

### Completion Date

2. Subject to obtaining all approvals from competent authorities necessary for the completion of the share transfer agreement dated 8 November 2010 between Worldwide & Asian Development Bank, the completion for the acquisition of the Kingward Sale Shares shall take place upon fulfillment and/or waiver of all conditions precedent and the completion of procedures relating to the registration of transfer and change of Kingward Sale Shares, and in any event no later than 15 January 2011 or such other date as agreed by the parties;

Asian Development Bank is an international development finance institution and an independent third party of the Company and HNA Group.

The reason for the completion of the acquisition of the Kingward Sale Shares to take place after the completion of the equity transfer between Worldwide and Asian Development Bank is to obtain the support from Asian Development Bank, as a shareholder of HNA Airport, for the acquisition of the Kingward Sale Shares by the Company.

The Company is of the view that the equity transfer between Worldwide and Asian Development Bank has no effect on the normal operation of HNA Airport.

## **Manner of Satisfaction of Consideration**

3. The Company shall pay the full consideration for the acquisition of the Kingward Sale Shares before 31 December 2010;
4. If Kingward breaches the Kingward Agreement after the Company has paid part or all of the consideration and fails to make substantive remedies within 30 days from the date of the notice issued by the Company requesting Kingward to make remedies in regard to such breach thereby resulting in the non-fulfillment of the objectives of Kingward Agreement or in the continuing performance of the Kingward Agreement, the Company has the right to require Kingward to refund all the paid consideration and indemnify the Company in accordance with the following calculation:–

The paid consideration × the interest rate of the People's Bank of China for one year time deposit × (the days between the date of payment and the date of refunding the same)/360

## **Conditions Precedent**

5. The Kingward Agreement will become effective on the Effective Date as defined in paragraph 1 above.

## **Termination**

6. The full amount of consideration will be paid to Kingward by the Company before 31 December 2010. If after payment of the full consideration for the Kingward Sale Shares, the share transfer fails to be completed before the Completion Date due to certain reasons except the breach of agreement by either party, both parties shall negotiate in good faith on the termination and refund of all consideration paid by the Company for the transfer of Kingward Sale Shares.

Save as disclosed herein, there is no change to other material terms and conditions of the Kingward Agreement.

## **REASONS FOR ENTERING INTO THE KINGWARD SUPPLEMENTAL AGREEMENT**

Kingward has not obtained the approval from its shareholders for the Kingward Agreement and the transactions contemplated thereunder and the Prepayment has not been paid by the Company as at the date of this announcement. With a view to proceed with the acquisition in the interests of the Company and Shareholders as a whole, the Company has engaged in further negotiations with Kingward.

After due negotiation, the Company and Kingward agreed to enter into the Kingward Supplemental Agreement to facilitate the implementation of the acquisition of the Kingward Sale Shares.

## **THE BOARD'S VIEW**

By the resolution of the Shareholders passed on 31 May 2010, the Directors are authorized to approve, sign or execute all such documents, instruments and agreements and take all such steps which they may consider necessary or appropriate for the purpose of giving effect to the Kingward Agreement or regarding the Kingward Agreement.

The Board considers that the variations of the terms and conditions made under the Kingward Supplemental Agreement do not constitute material variations to the Kingward Agreement as the subject of the acquisition and the total consideration for the Kingward Sale Shares remain unchanged.

The Board is of the view and as advised by its PRC Lawyer that the Kingward Agreement has not taken effect. Pursuant to the Kingward Agreement, the Kingward Agreement has become effective before 17 May 2010 is a condition precedent for the registration of transfer and change of the Kingward Sale Shares. The Board is of the view that since Kingward has not obtained its shareholders' approval as at the date hereof, the Kingward Agreement has not become effective and the Board considers the Kingward Agreement is still valid and the period for fulfilling the conditions precedent under the Kingward Agreement is extended accordingly.

For the reasons stated above, the Board is of the view that approval from the Shareholders will not be required for entering into the Kingward Supplemental Agreement and the variations are in the interests of the Company and the Shareholders as a whole.

## **RESUMPTION OF TRADING**

At the request by the Company, trading in the Shares on the main board of the Stock Exchange was suspended with effect from 9:42 a.m. on 9 November 2010 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 November 2010.

By the order of the Board  
**Hainan Meilan International Airport Company Limited**  
**Xing Zhoujin**  
*Company Secretary*

Haikou, the PRC  
16 November 2010

*As at the date of this announcement, there are eleven directors on the Board. The Board comprises of three executive directors, namely Mr. Zhao Yahui, Mr. Liang Jun and Ms. Xing Xihong, and four non-executive directors, namely Mr. Hu Wentai, Mr. Zhang Han'an, Mr. Chan Nap Kee Joseph and Mr. Yan Xiang, and four independent non-executive directors, namely Mr. Xu Bailing, Mr. Fung Ching Simon, Mr. George F Meng and Mr. Feng Da'an.*

\* *For identification purpose only*