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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)**

### PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS

The Company hereby announces that on 26 August 2011, the Board has approved and resolved to submit to the Shareholders at the EGM to be held on 24 October 2011 for considering and, if thought fit, approving the offer and issue of the Domestic Corporate Bonds with an aggregate principal amount of not more than RMB900 million (subject to the approved limit of domestic issue) to the public in the PRC.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

#### 1. Background

In order for the Company to meet medium and long term capital needs, improve capital structure and reduce financing cost, the Company hereby announces that on 26 August 2011, the Board has approved and resolved to submit to the Shareholders at the EGM to be held on 24 October 2011 for considering and, if thought fit, approving the offer and issue of the Domestic Corporate Bonds with an aggregate principal amount of not more than RMB900 million (subject to the approved limit of domestic issue) to the public in the PRC.

According to the Company Law of the PRC and the articles of association of the Company, the Domestic Corporate Bonds Issue is subject to the approval of the Shareholders and CSRC.

\* For identification purpose only

## 2. Proposed Domestic Corporate Bonds Issue

The proposed arrangements under the Domestic Corporate Bonds Issue are set forth below.

Aggregate principal amount:	Not more than RMB900 million (subject to the approved limit of domestic issue)
Maturity:	5 years to 7 years (single maturity period or mixed maturity periods); the varieties of maturity and the issue size for each variety shall be subject to final determination by the Board according to relevant rules and regulations and market conditions as authorised by the Shareholders at the EGM)
Issue price:	Par Value of Domestic Corporate Bonds
Interest rate:	Fixed rate; the nominal rate and the method of payment of interest shall be negotiated between the Company and the Sponsors (main underwriter) with reference to the prevailing market rate and the market inquiry price.
Use of proceeds:	All the proceeds from the Domestic Corporate Bonds Issue shall be used by the Company to meet medium-long-term development capital needs and improve capital structure.
Issue method:	Price inquiry to institutional investors or book building; single issue or issue in installments, which shall be determined by the Board according to the market conditions and capital demand of the Company as authorised by the Shareholders at the EGM.
Listing:	Application for listing of and dealing in the Domestic Corporate Bonds shall be filed with the Shanghai Stock Exchange following the completion of the Domestic Corporate Bonds Issue.
Guarantee:	In the event that the Company expects to fail to repay any amounts of principal or interest of the Domestic Corporate Bonds on schedule or when such amounts fall due, the Company shall take a series of measures to guarantee the repayment, including but not limited to: (i) not to declare any profit distribution to the Shareholders; (ii) to postpone the implementation of capital expenditure projects such as material investment, merger or acquisition; (iii) to reduce or discontinue the payment of salaries and bonuses of Directors and members of senior management; and (iv) not to approve any transfer or secondment of the primarily responsible staff.

Term of validity of resolution: The Shareholders' resolutions in respect of the Domestic Corporate Bonds Issue, if passed, shall be valid for 24 months from the date of approval by the Shareholders at the EGM

Domestic Corporate Bonds to be issued are not convertible into Shares of the Company.

### **3. Authorization to the Board**

It shall be submitted to the Shareholders at the EGM to consider and, if thought fit, approve to authorize the Board to deal with (including, but not limited to) the following matters in relation to the Domestic Corporate Bonds Issue according to the applicable laws and regulations and the market conditions prevailing at the time of issue:

- 1) to formulate, to the extent permitted by laws and regulations and according to the Company's specific circumstances and the market conditions, the specific terms and arrangements of the Domestic Corporate Bonds Issue and make any changes and adjustments to such terms and arrangements, including but not limited to, total amount, maturity, coupon rate or the calculation method, timing of issue, offer tranche (if any), redemption and repurchase mechanism (if any), duration and method of repayment of the principal and the interests placing arrangement, place of listing and any other matters in relation to the Domestic Corporate Bonds Issue;
- 2) to appoint relevant professional parties involved in the Domestic Corporate Bonds Issue and to prepare and submit the relevant application documents to the relevant regulatory authorities;
- 3) to appoint the bonds trustee manager, sign and execute the entrusted bonds management agreement and other necessary documents and formulate the rules on the meetings of the holders of the Domestic Corporate Bonds;
- 4) to sign, revise, finalize and execute all the documents, agreements, contracts and other statutory documents relating to the Domestic Corporate Bonds Issue and its Listing, including but not limited to the prospectus, the sponsor agreement, the underwriting agreement, the entrusted bonds management agreement, the listing agreement and various announcements, and make appropriate information disclosure pursuant to the applicable laws and regulations and relevant regulatory rules;
- 5) to deal with all the approval, registration, filing, examination and consent procedures relating to the Domestic Corporate Bonds Issue, to handle all the matter relating to the listing of the Domestic Corporate Bonds after the Domestic Corporate Bonds Issue and to take necessary, appropriate and proper actions relating to the Domestic Corporate Bonds Issue and its Listing as are deemed to be;
- 6) to apply to the relevant regulatory authorities for their approval on the Domestic Corporate Bonds Issue and to make adjustments to the specific terms and arrangements of the Domestic Corporate Bonds Issues according to the opinions of the relevant regulatory authorities or in

the event of any changes in the relevant authorities' policies regarding the issue and Listing of Domestic Corporate Bonds or in the market conditions;

- 7) to deal with the repayment of principal and interest in relation to the Domestic Corporate Bonds Issues;
- 8) to determine as to whether to continue the Domestic Corporate Bonds Issue according to the actual circumstances in the event of any material changes in the market conditions or policies and regulations; and
- 9) to deal with any other matters relating to the Domestic Corporate Bonds Issue.

The Board shall, under the condition of obtaining the above authorization from the Shareholders at the EGM, delegate such authorization to the committee of bonds issue, which is composed of the executive directors of the Company, unless otherwise provided by relevant laws and regulations, relevant provisions of government regulatory departments or articles of association of the Company, or adopted by way of resolutions on a board meeting convened by all the directors of the Company, to implement the above authorized issues with the signature of any member of the committee of bonds issue.

The above mentioned authorization, if granted, shall be valid from the date of approval of the Domestic Corporate Bonds Issue by the Shareholders at the EGM to the date on which the above issues authorized to the Board to deal with are completed.

#### **4. Reasons and benefits for the Domestic Corporate Bonds Issue**

In issuing the proposed Domestic Corporate Bonds, it will help meet the Company's medium and long term capital needs and improve capital structure so as to lower the financing cost.

#### **5. Definitions**

In this announcement, unless the context specifies otherwise, terms used herein shall have the following meanings:

“Board”	the board of directors of the Company;
“CSRC”	中國證券監督管理委員會* (China Securities Regulatory Commission);
“Company”	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 PRC with limited liability;
“Director(s)”	the directors of the Company;

“Domestic Corporate Bonds”	domestic corporate bonds to be issued by the Company with an aggregate principal amount of not more than RMB900 billion;
“Domestic Corporate Bonds Issue”	the offer and issue of the Domestic Corporate Bonds to the public in the PRC;
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering, and if thought fit, approving, among other things, the proposed Domestic Corporate Bonds Issue;
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	shares of the Company listed on the Stock Exchange;
“Shareholders”	the holders of the Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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

Haikou, Hainan Province, the PRC  
26 August 2011

*As at the date of this announcement, there are eleven directors on the Board. They are: Mr. Liang Jun, Mr. Dong Zhanbin, Ms. Xing Xihong as executive directors; Mr. Hu Wentai, Mr. Zhang Han’an, Mr. Joseph Chan, Mr. Yan Xiang as non-executive directors; and Mr. Xu Bailing, Mr. Fung Ching Simon, Mr. George F Meng and Mr. Feng Dáan as independent non-executive directors.*