

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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 liabilities)

(Stock Code: 357)

**DISCLOSEABLE TRANSACTION
RENEWAL OF FINANCIAL SERVICES AGREEMENT**

On 29 August 2013, the Company and HNA Group Finance entered into the Financial Services Agreement, pursuant to which HNA Group Finance has agreed to continue to provide the Group with (i) the Deposit Services, (ii) the General Credit Services and (iii) the Other Financial Services during the term of the Financial Services Agreement subject to the terms and conditions provided therein.

The Deposit Services and the Other Financial Services are aggregated pursuant to Rule 14.22 of the Listing Rules. The General Credit Services do not fall within the definition of transactions under Chapter 14 of the Listing Rules thus are not aggregated.

As the applicable percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Deposit Services and the Other Financial Services exceed 5% but are less than 25%, the Deposit Services and the Other Financial Services also constitute discloseable transactions for the Company, and are therefore subject to disclosure by way of an announcement under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 8 October 2010 and 12 October 2010, respectively, in relation to the Existing Financial Services Agreement.

The Existing Financial Services Agreement has a term of three years commencing from 8 October 2010 to 7 October 2013. The Company and HNA Group Finance, as the parties to the Existing Financial Services Agreement, intend to continue the transactions under the Existing Financial Services Agreement. Following the amendments of the Listing Rules which came into effect on 3 June 2010, which removed promoters of a PRC issuer from the definition of connected persons, the transactions between the Company and HNA Group Finance do not fall within the definition of continuing connected transactions of the Company under Chapter 14A of the Listing Rules. On 29 August 2013

* For identification purposes only

the Company and HNA Group Finance entered into the Financial Services Agreement, pursuant to which HNA Group Finance has agreed to continue to provide the Group with the Deposit Services, the General Credit Services and the Other Financial Services during the term of the Financial Services Agreement subject to the terms and conditions provided therein.

FINANCIAL SERVICES AGREEMENT

1. **Date:** 29 August 2013
2. **Parties:** The Company
HNA Group Finance
3. **Service:** provided that HNA Group Finance could obtain the relevant approval from CBRC, HNA Group Finance shall provide to the Group financial services, including deposit services, settlement services, loans and finance leasing services, bill acceptance and discount services, entrusted loans and entrusted investment services, corporate bonds underwriting services, financial consultation, credit certification and relevant consulting and agency services, provision of guarantee and other financial services approved by CBRC.
4. **Service Principle:** HNA Group Finance has undertaken to adhere to the following principles in providing the aforementioned financial services to the Group: (1) the interest rate for the Group's deposits with HNA Group Finance shall be fixed at the deposit interest rate issued by PBOC and shall not be lower than the benchmark deposit interest rate as issued by PBOC; (2) the interest rate for facilities provided to the Group by HNA Group Finance shall be fixed at the benchmark lending interest rate as issued by PBOC; (3) the fees charged by HNA Group Finance for providing the Other Financial Services to the Group shall not be more than those charged by other financial institutions in the PRC for providing equivalent services; (4) HNA Group Finance shall regularly provide its operation and financial status to the Group to ensure its information right; and (5) HNA Group Finance shall engage professional institutes to assess the risk profile of funds every half year, formulate and strictly comply with risk management plans.

5. **Expected Interest:** Based on the current interest rate issued by PBOC, it is estimated that the annual amount of interest accrued from the Deposit Services shall not be more than RMB13,500,000 (equivalent to approximately HK\$16,875,000). The net profits before and after taxation attributable to the deposit services under the Existing Financial Services Agreement for the two financial years immediately preceding the Financial Services Agreement are set out below:

	Year ended 31 December	
	2011	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profits before taxation	6,690	16,496
Net profits after taxation	5,854	14,434

6. **Discretion of the Company:** during the term of the Financial Services Agreement, the Group may choose to maintain the business relationship with HNA Group Finance or to obtain similar services from other financial institutions.
7. **Termination:** if there is any loss to the money of the Company while it is being handled by HNA Group Finance, the Company may unilaterally terminate the Financial Services Agreement.
8. **Term:** the Financial Services Agreement is for a term of three years commencing from the date of the Financial Services Agreement. The Financial Services Agreement will replace the Existing Financial Services Agreement from the date thereof.

Maximum Deposit and Fees for Other Financial Services

1. *Deposit Services*

It is provided in the Financial Services Agreement that the Group's maximum daily deposit balance with HNA Group Finance during the term of the Financial Services Agreement shall not exceed RMB450,000,000 (equivalent to approximately HK\$562,500,000). Such proposed maximum daily deposit balance was determined with reference to the historical figures and future plans of the Company in relation to the deposit services provided by HNA Group Finance to the Group under the Existing Financial Services Agreement.

2. *Other Financial Services*

The Other Financial Services mainly include the consulting services to be provided by HNA Group Finance to the Group. The Board estimated that the annual financial consulting fees payable by the Group to HNA Group Finance during the term of the Financial Services Agreement shall not exceed RMB2,000,000 (equivalent to approximately HK\$2,500,000). Such annual cap was determined after arm's length negotiation with reference to the historical figures in relation to the consulting services provided by HNA Group Finance to the Group under the Existing Financial Services Agreement.

REASONS FOR ENTERING THE FINANCIAL SERVICES AGREEMENT

It is the main business of HNA Group Finance to provide financial services to intra-group members. During the terms of the Existing Financial Services Agreement, the Group has benefited from the efficient and cost-saving services provided by HNA Group Finance. By using HNA Group Finance's system, intra-group fund settlement and transaction costs can be reduced. In addition, the fees charged by HNA Group Finance for providing the Other Financial Services to the Group shall not be more than those charged by other financial institutions in the PRC for providing equivalent services. The Board believes that the terms of the Financial Services Agreement are fair and reasonable and in the interest of the shareholders of the Company as a whole.

RISK CONTROL MEASURES

It is provided in the Financial Services Agreement that HNA Group Finance shall ensure the strict compliance of relevant regulations and requirements issued by PBOC and CBRC and the scientific management of its business.

LISTING RULES IMPLICATIONS

The Deposit Services and the Other Financial Services are aggregated pursuant to Rule 14.22 of the Listing Rules. The General Credit Services do not fall within the definition of transactions under Chapter 14 of the Listing Rules thus are not aggregated.

As the applicable percentage ratios defined under Rule 14.07 of the Listing Rules in relation to the Deposit Services and the Other Financial Services exceed 5% but are less than 25%, the Deposit Services and the Other Financial Services also constitute discloseable transactions for the Company, and are therefore subject to disclosure by way of an announcement under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP AND HNA GROUP FINANCE

The Company is principally engaged in aeronautical and non-aeronautical businesses at Meilan Airport. The business scope of the Company mainly includes the provision of transit and ground transportation services to domestic and foreign air transportation companies and transit passengers; the leasing of the aviation commercial area, business and commercial premises within the terminal building and the

provision of integrated services, the construction and operation of aviation facilities within the airport and the ancillary buildings thereto, the provision of cargo storage, packing, loading and unloading and transportation services. HNA Group Finance is a non-bank financial institution established in the PRC. HNA Group Finance mainly engages in the provision of financial service, including deposit services, settlement service, loans and finance leasing service, bill acceptance and discount services, entrusted loans and entrusted investment services, corporate bonds underwriting service, financial and financing consultation and credit certification.

DEFINITION

“Board”	board of Directors
“CBRC”	中國銀行業監督管理委員會 (China Banking 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
“Deposit Services”	the deposit services to be provided by HNA Group Finance to the Group under the Financial Services Agreement
“Existing Financial Services Agreement”	the financial services agreement entered into between the Company and HNA Group Finance on 8 October 2010
“Financial Services Agreement”	the financial services agreement entered into between HNA Group Finance and the Company on 29 August 2013
“General Credit Services”	the general credit services to be provided by HNA Group Finance to the Group under the Financial Services Agreement
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HNA Group Finance”	HNA Group Finance Co., Ltd. (海航集團財務有限公司), a non-bank financial institution established in the PRC
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Financial Services”	financial services other than the Deposit Services and General Credit Services to be provided by HNA Group Finance to the Group under the Financial Services Agreement
“PBOC”	中國人民銀行 (People’s Bank of China)

“PRC”	People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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 Meilan, The PRC
29 August 2013

As at the date of this announcement, there are eleven directors on the Board. They are: Mr. Liang Jun, Mr. Wang Zhen, Mr. Yang Xiaobin and Mr. Yang Xuqiang as executive directors; Mr. Hu Wentai, Mr. Chan Nap Kee, Joseph and Mr. Yan Xiang as non-executive directors; and Mr. Xu Bailing, Mr. Fung Ching, Simon, Mr. George F. Meng and Mr. Feng Da’an as independent non-executive directors.

In this announcement, RMB has been translated to HK\$ at the exchange rate of RMB1.00 to HK\$1.25 for illustration purpose only. No representation is made that any amounts in HK\$ or RMB have been, could have been or could be converted at this or any other rate.