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**海航基礎股份有限公司**  
**HNA Infrastructure Company Limited\***

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

**(Stock code: 357)**

**TERMINATION OF (1) THE SALE AND PURCHASE AGREEMENT  
AND  
(2) THE SUBSCRIPTION AGREEMENT**

This announcement is made by HNA Infrastructure Company Limited (the “**Company**”) pursuant to Rule 14.36 of the Listing Rule.

References are made to the announcements of the Company dated 2 July 2014 and 31 July 2014 respectively, the circular of the Company dated 15 August 2014 (the “**Circular**”), the poll results announcement of the Company dated 30 September 2014 and the announcements of the Company date 31 December 2014, 31 March 2015 and 30 June 2015 (the “**Extension Announcements**”) in respect of, amongst other things, the connected transaction involving subscription of new domestic shares under specific mandate and the major transaction involving the issue of consideration shares under specific mandate. Terms used herein shall have the same meanings as those defined in the Circular and the Extension Announcements unless defined otherwise herein.

\* *For identification purposes only*

## TERMINATION OF THE SALE AND PURCHASE AGREEMENT

As disclosed in the Circular, on 2 July 2014 (after trading hours of the Stock Exchange), the Company entered into the Sale and Purchase Agreement (the “SPA”) with Xinhua Lianhang, Haidao Development and HNA Engineering as the Vendors, pursuant to which (i) the Company had conditionally agreed to acquire and Xinhua Lianhang had conditionally agreed to sell the Wuhan Linkong Sale Shares and (ii) the Company had conditionally agreed to acquire and Haidao Development and HNA Engineering had conditionally agreed to sell the Haidao Commercial Sale Shares.

The completion of the SPA is conditional upon the fulfilment or waiver (where applicable) of a number of conditions precedents as set out in the Circular, which include, amongst others, all necessary approvals, authorisations, consents having been obtained from and all necessary registrations and filings (if required) having been completed with the relevant governmental authorities or regulatory bodies (including but not limited to all levels of competent commercial affairs departments) in respect of the purchase from Xinhua Lianhang the Wuhan Linkong Sale Shares and the purchase from Haidao Development and HNA Engineering the Haidao Commercial Sale Shares by the Company. As disclosed in the Extension Announcements, all the conditions precedent of the SPA shall be fulfilled or waived (where applicable) on or before 31 July 2015 (the “SPA Long Stop Date”).

Since the date of the SPA, the Company has spent tremendous and continuous effort in obtaining all necessary governmental approvals. However, as at the SPA Long Stop Date, the Company is still unable to obtain the necessary approvals from the Civil Aviation Administration of China and the Department of Commerce of the PRC in respect of the SPA and the transactions contemplated thereunder. As a result, the SPA shall automatically be terminated in accordance with the terms thereof, and neither party shall have any obligations nor liabilities towards each other thereafter save for any antecedent breaches of the terms of the SPA.

On 31 July 2015 (after trading hours of the Stock Exchange), the Company, Xinhua Lianhang, Haidao Development and HNA Engineering have signed a termination confirmation to formally record their common consent on the termination of the SPA, in which each of the parties has also agreed that it shall not take any action to claim for damages against the others.

The Directors are of the view that the termination of the SPA does not have any material adverse impact on the existing financial position and business operation of the Group.

As disclosed in the Circular, the aggregate Consideration for the acquisition of the Haidao Commercial Sale Shares will be satisfied in full partly by setting off the Loan Advances pursuant to the Loan Assignment Agreement and partly by the allotment and issue of the Consideration Shares on the date of completion of the SPA. Given that the SPA has been terminated, the purchase of the Haidao Commercial Sale Shares will no longer take place. On 31 July 2015 (after trading hours of the Stock Exchange), the Company, the Related Parties, Haidao Commercial, HNA Engineering and Haidao Development have signed a confirmation to formally record their common consent that as the completion of the acquisition of the Haidao Commercial Sale Shares has not taken place, the Loan Assignment Agreement shall automatically become void and the rights and obligations of the Loan Advances shall be restituted to the positions as if the Loan Assignment Agreement has not been signed, and each of the parties has agreed that it shall not take any action to claim for damages against the others in relation to the Loan Assignment Agreement.

## **TERMINATION OF THE SUBSCRIPTION AGREEMENT**

As disclosed in the Circular, on 2 July 2014 (after trading hours of the Stock Exchange), the Company and the Parent Company entered into the Subscription Agreement, pursuant to which the Parent Company had agreed to subscribe for a certain number of new Domestic Shares in the Company. It was further disclosed in the Circular that the Company intended to use the proceeds generated from the Proposed Subscription to settle the consideration for the purchase of the Wuhan Linkong Sale Shares under the SPA.

The completion of the Subscription Agreement is conditional upon the fulfilment of conditions precedents as set out in the Circular, which include, amongst others, all necessary approvals, authorisations, consents having been obtained from and all necessary registrations and filings (if required) having been completed with all competent governmental authorities or regulatory bodies or other third parties in respect of the Subscription Agreement and the transactions contemplated thereunder by the Company and the Parent Company. As disclosed in the Extension Announcements, all the conditions precedent of the Subscription Agreement shall be fulfilled on or before 31 July 2015 (the “**Subscription Agreement Long Stop Date**”).

Since the date of the Subscription Agreement, the Company has spent tremendous and continuous effort in obtaining all necessary governmental approvals. However, as at the Subscription Agreement Long Stop Date, the Company is still unable to obtain the necessary approvals from the Civil Aviation Administration of China and the Department of Commerce of the PRC in respect of the Subscription Agreement and the transactions contemplated thereunder. As a result, the Subscription Agreement shall automatically be terminated in accordance with the terms thereof, and neither party shall have any obligations nor liabilities towards each other thereafter save for any antecedent breaches of the terms of the Subscription Agreement.

On 31 July 2015 (after trading hours of the Stock Exchange), a termination confirmation was signed between the Company and the Parent Company, pursuant to which, each of the parties has agreed to release the other from all obligations and liabilities arising from or related to the Subscription Agreement and none of the parties shall take any action to claim for damages in relation to the Subscription Agreement.

The Directors consider that the termination of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole and has no material adverse impact on the existing financial position and business operation of the Group.

With the termination of the SPA and the Subscription Agreement, the proposed amendments to the Articles of the Company as set out in the Circular will not proceed.

By Order of the Board  
**HNA Infrastructure Company Limited**  
**Xing Zhoujin**  
*Company Secretary*

Haikou, the PRC, 31 July 2015

*As at the date of this announcement, the Board comprises of (i) four executive Directors, namely Mr. Wang Zhen, Mr. Yang Xiaobin, Mr. Gao Jian and Mr. Zhang Peihua; (ii) three non-executive Directors, namely Mr. Hu Wentai, 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.*