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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)

SUPPLEMENTAL ANNOUNCEMENT

- (1) THE SUPPLEMENTAL PARENT COMPANY DOMESTIC SHARES SUBSCRIPTION AGREEMENT**
- (2) THE SUPPLEMENTAL HAINAN HNA DOMESTIC SHARES SUBSCRIPTION AGREEMENT AND**
- (3) PROPOSED NEW H SHARES ISSUE UNDER SPECIFIC MANDATE**

Reference is made to the announcement of HNA Infrastructure Company Limited (the “**Company**”) dated 30 December 2016 (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL PARENT COMPANY DOMESTIC SHARES SUBSCRIPTION AGREEMENT

As stated in the Announcement, on 30 December 2016, the Company and the Parent Company entered into the Parent Company Domestic Shares Subscription Agreement, pursuant to which the Parent Company agreed to subscribe for Subscription Shares I, which include: (i) not more than 190,463,284 new Domestic Shares as consideration for the transfer of the Phase I Runway Assets by the Parent Company to the Company; and (ii) not more than 250,626,566 new Domestic Shares by cash at an aggregate subscription price of not more than RMB2,000,000,000. Subscription Shares I will be allotted and issued at the subscription price of not less than RMB7.98 per Subscription Shares I.

On 27 April 2017, the Company and the Parent Company entered into a supplemental agreement to the Parent Company Domestic Shares Subscription Agreement (the “**Supplemental Parent Company Domestic Shares Subscription Agreement**”), pursuant to which the Company and the Parent Company agreed to make the following major amendments to the Parent Company Domestic Shares Subscription Agreement:

- (i) the subscription price shall be fixed at RMB8.00 (equivalent to approximately HK\$8.93) per Subscription Shares I; and
- (ii) the Parent Company agreed to subscribe for Subscription Shares I, which include: (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) 250,000,000 new Domestic Shares by cash at an aggregate subscription price of RMB2,000,000,000 (equivalent to approximately HK\$2,232,641,214.56).

THE SUPPLEMENTAL HAINAN HNA DOMESTIC SHARES SUBSCRIPTION AGREEMENT

As stated in the Announcement, on 30 December 2016, the Company and Hainan HNA entered into the Hainan HNA Domestic Shares Subscription Agreement, pursuant to which, Hainan HNA agreed to subscribe for Subscription Shares II, being not more than 50,125,313 new Domestic Shares by cash at an aggregate subscription price of not more than RMB400,000,000. Subscription Shares II will be allotted and issued at the subscription price of not less than RMB7.98 per Subscription Shares II.

On 27 April 2017, the Company and Hainan HNA entered into a supplemental agreement to the Hainan HNA Domestic Shares Subscription Agreement (the “**Supplemental Hainan HNA Domestic Shares Subscription Agreement**”), pursuant to which the Company and Hainan HNA agreed to make the following major amendments to the Hainan HNA Domestic Shares Subscription Agreement:

- (i) the subscription price shall be fixed at RMB8.00 (equivalent to approximately HK\$8.93) per Subscription Shares II; and
- (ii) Hainan HNA agreed to subscribe for Subscription Shares II, being 50,000,000 new Domestic Shares by cash at an aggregate subscription price of RMB400,000,000 (equivalent to approximately HK\$446,528,242.91).

PROPOSED NEW H SHARES ISSUE UNDER SPECIFIC MANDATE

As stated in the Announcement, 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 150,375,940 New H Shares, representing not more than 31.78% of the total share capital of the Company before the Parent Company Subscription, the Hainan HNA Subscription and the proposed New H Shares Issue, and 13.49% of total share capital of the Company as enlarged by the Parent Company Subscription, the Hainan HNA Subscription and the proposed New H Shares Issue; and representing not more than 66.27% of share capital of H Shares of the Company before the New H Shares Issue, and 39.86% of share capital of H Shares of the Company as enlarged by the New H Shares Issue.

After further consideration by the Board, the Board decides to change the size of issuance, pricing mechanism and validity period of the resolutions of the New H Shares Issue. Details of such changes are set out below:

Size of issuance

The proposed New H Shares to be issued shall not exceed 200,000,000 shares, representing not more than 42.27% of the total share capital of the Company before the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue, and 17.20% of total share capital of the Company after the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue; and representing not more than 88.14% of share capital of H Shares of the Company before the New H Shares Issue, and 46.85% of share capital of H Shares of the Company after the completion of the New H Shares Issue.

Pricing mechanism

The New H Shares will be issued at a price to be determined by the Board after taking into account the interests of existing Shareholders, investors' capabilities and the potential issuance risks, as well as the market practice and applicable regulatory requirements, and with reference to the capital market conditions and the valuations of comparable companies at the time when the Company issues the New H Shares, provided that the issue price will be not be lower than 90% of the highest among the following:

- (i) the closing price of H Share as quoted on the Stock Exchange at the date of New H Share Issue;
- (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 New H Share Issue;
- (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 New H Share Issue; 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 New H Share Issue.

In any event, the issue price will be not lower than the nominal value of H Share (i.e. RMB1.00).

Validity period of the resolutions

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

As the Parent Company Subscription and the Hainan HNA Subscription may or may not be completed, the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

For the purpose of this announcement, the exchange rate of HK\$1.00 = RMB0.8958 have been used for currency translation, where applicable. Such exchange rates are for illustrative purposes and do 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
HNA Infrastructure Company Limited
Xing Zhoujin
Company Secretary

Haikou, the PRC
27 April 2017

As at the date of this announcement, the Board comprises of (i) four executive Directors, namely Mr. Wang Zhen, Mr. Yang Xiaobin, Mr. Zhou Feng and Mr. Liu Shanbin; (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.

* *For identification purposes only*