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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)

**MAJOR AND CONNECTED TRANSACTIONS
THE LOAN AGREEMENT AND THE LOAN ALLOCATION
AGREEMENT
AND
EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS'
RESOLUTIONS AND AUTHORISATION GRANTED TO THE BOARD
IN RELATION TO THE PARENT COMPANY SUBSCRIPTION, THE
HAINAN HNA SUBSCRIPTION AND THE NEW H SHARES ISSUE**

THE LOAN AGREEMENT

Reference is made to the announcement of the Company dated 21 August 2015 and the circular of the Company dated 7 October 2015 in respect of the Airport Project, which disclosed, among other things, that CDB issued a letter of intention in relation to a long-term project loan amounting to approximately RMB8 billion, pursuant to which a 20-30 years long-term project loan is to be provided to the Airport Project.

The Board is pleased to announce that on 1 February 2018, the Company, the Parent Company and the Lenders (including CDB, ICBC Hainan Branch and ABC Hainan Branch) entered into the Loan Agreement, pursuant to which, the Lenders agreed to grant the Loan to the Company and the Parent Company on a joint and several basis in the principal amount of RMB7.8 billion for a period of 20 years, which shall be solely used for the construction of the Airport Project.

THE LOAN ALLOCATION AGREEMENT

On 1 February 2018, the Company and the Parent Company entered into the Loan Allocation Agreement in order to specify the allocation of the Loan between the Company and the Parent Company, pursuant to which the Company agreed to be allocated RMB3.9 billion (representing 50% of the Loan) and the Parent Company agreed to be allocated RMB3.9 billion (representing 50% of the Loan).

EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS AND AUTHORISATION GRANTED TO THE BOARD IN RELATION TO THE PARENT COMPANY SUBSCRIPTION, THE HAINAN HNA SUBSCRIPTION AND THE NEW H SHARES ISSUE

Reference is made to the circular of the Company dated 28 April 2017 and the poll results announcement of the Company dated 26 June 2017 in relation to the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue.

As at the date of this announcement, the Company is still in the process of obtaining the approval from CSRC in relation to the New H Shares Issue. Therefore, considering that (i) the validity period of the Shareholders' resolutions relating to the New H Shares Issue which was approved by the Shareholders at the 2017 EGM and the 2017 Class Meetings; and (ii) the validity period of the authorisation granted to the Board to deal with and complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue which was approved by the Shareholders at the 2017 EGM and the 2017 Class Meetings, will expire on 25 March 2018, the Board proposed to convene the EGM and the Class Meetings for (i) the Shareholders to consider the New H Shares Issue Extension Resolution and (ii) the Independent Shareholders to consider the Board Authorisation Extension Resolutions, in order to extend the validity period of the Shareholders' resolutions relating to the New H Shares Issue and the authorisation granted to the Board to deal with and complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue for a further period of nine (9) months, i.e. from 26 March 2018 to 25 December 2018 by way of special resolutions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company holds 50.19% of the total share capital of the Company and is a substantial shareholder of the Company. Accordingly, the Parent Company is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As the Loan will be available to the Company and the Parent Company on a joint and several basis, each of the Company and the Parent Company will be liable for the indebtedness incurred by the other under the

Loan. Accordingly, the Loan constitutes a connected transaction involving provision of financial assistance to a connected person by the Company under Chapter 14A of the Listing Rules.

In addition, as the Loan does not involve disposal or acquisition of any assets, although the highest applicable percentage ratio in respect of the Loan contemplated under the Loan Agreement and the Loan Allocation Agreement is more than 100%, the Loan shall only be regarded as a major transaction instead of a very substantial acquisition or very substantial disposal pursuant to Chapter 14 of the Listing Rules.

Accordingly, the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder are subject to reporting, announcement, and the independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; and (ii) the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions. The Parent Company will abstain from voting on the resolutions to be proposed at the EGM for approving (i) the Loan Agreement and the Loan Allocation Agreement; and (ii) the Board Authorisation Extension Resolutions.

The Class Meetings will be convened to consider and, if thought fit, approve, among other things, the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions. The Parent Company will abstain from voting on the resolutions to be proposed at the Class Meetings for approving the Board Authorisation Extension Resolutions.

A circular containing, among other things, (i) further details of the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; (ii) the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions; (iii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement, the Loan Allocation Agreement and the Board Authorisation Extension Resolutions; (iv) the letter from the Independent Board Committee to the Independent Shareholders in relation to the Loan Agreement, the Loan Allocation Agreement and the Board Authorisation Extension Resolutions; and (v) the notices of the EGM and the Class Meetings will be despatched to the Shareholders on or before 22 February 2018.

THE LOAN AGREEMENT

Reference is made to the announcement of the Company dated 21 August 2015 and the circular of the Company dated 7 October 2015 in respect of the Airport Project, which disclosed, among other things, that CDB issued a letter of intention in relation to a long-term project loan amounting to approximately RMB8 billion, pursuant to which a 20-30 years long-term project loan is to be provided to the Airport Project.

The Board is pleased to announce that on 1 February 2018, the Company, the Parent Company and the Lenders (including CDB, ICBC Hainan Branch and ABC Hainan Branch) entered into the Loan Agreement, pursuant to which, the Lenders agreed to grant the Loan to the Company and the Parent Company on a joint and several basis in the principal amount of RMB7.8 billion for a period of 20 years, which shall be solely used for the construction of the Airport Project.

Set forth below are the major terms of the Loan Agreement:

1. **Date:** 1 February 2018
2. **Parties:**
 - (1) Lenders:
 - (i) CDB, as the mandated lead manager and the agent bank; and
 - (ii) ICBC Hainan Branch and ABC Hainan Branch, as the Participant Banks; and
 - (2) Borrowers: the Parent Company and the Company, on a joint and several basis whereby each of the Parent Company and the Company is also liable for the indebtedness incurred by the others under the Loan
3. **Principal amount:** RMB7.8 billion
4. **Commitment composition:**
 - (1) CDB: RMB4.5 billion, accounting for approximately 57.69% of the total commitment;
 - (2) ICBC Hainan Branch: RMB1.74 billion, accounting for approximately 22.31% of the total commitment; and
 - (3) ABC Hainan Branch: RMB1.56 billion, accounting for approximately 20% of the total commitment
5. **Term:** 20 years
6. **Purpose:** The Borrowers shall apply all amounts of the Loan towards the Airport Project.

7. Interest rate: The interest rate for the Loan shall be the benchmark interest rate for RMB loans published by the People's Bank of China on each Drawdown Date subject to adjustment on each Interest Adjustment Date.

CDB shall inform the Borrowers within five (5) business days after the Interest Adjustment Date if there is any difference between the adjusted interest rate on Interest Adjustment Date and the interest rate determined on the Drawdown Date.

8. Repayment: The Borrowers shall repay part of the principal amount every six months commencing on 21 December 2022 with the due amount as agreed in the Loan Agreement and shall repay the interests on a quarterly basis. The last interest payment date shall be the same date with the last principal repayment date.

The Borrowers are entitled to prepay all or any part of the Loan by submitting a prepayment application sixty (60) business days in advance to CDB.

9. Security:

- (1) a corporate guarantee provided by HNA Holding Group;
- (2) three (3) parcels of land and two buildings owned by the Company and located in Haikou City covering a total area of 445.17 mu, with a total value of approximately RMB953.61 million as appraised by an independent property valuer on 7 November 2017;
- (3) eleven (11) parcels of land, covering a total area of 581.6 mu and nine (9) buildings owned by the Parent Company and located in Haikou City with a total value of approximately RMB365.15 million as appraised by an independent property valuer on 7 November 2017;
- (4) the land and the buildings of the Airport Project owned by the Company and the Parent Company; and
- (5) the assets of the Airport Project after completion of its construction.

Separate agreements in relation to the above corporate guarantee and pledge of assets were entered into between relevant parties on 1 February 2018.

THE LOAN ALLOCATION AGREEMENT

On 1 February 2018, the Company and the Parent Company entered into the Loan Allocation Agreement in order to specify the allocation of the Loan (the “**Loan Allocation**”) between them, pursuant to which the Company agreed to be allocated RMB3.9 billion (representing 50% of the Loan) and the Parent Company agreed to be allocated RMB3.9 billion (representing 50% of the Loan). The Loan Allocation is agreed between the Company and the Parent Company based on arms’ length negotiations, subject to any adjustment as further negotiated and agreed by the Company and the Parent Company in writing.

Each of the Company and the Parent Company shall be responsible for repaying the principal and accrued interests of their respective part of the Loan based on the Loan Allocation.

INFORMATION OF THE AIRPORT PROJECT

On 2 June 2015, NDRC approved the construction of the Phase II expansion project of Meilan Airport (NDRC Infrastructure [2015] No. 1215), which means the feasibility study report (the “**Feasibility Study Report**”) issued by a professional institution engaged by the Parent Company in relation to the construction of the Phase II expansion project of Meilan Airport which comprised three parts, i.e. the Airport Project, an air traffic control project and a fuel supply project, was approved. Pursuant to the approval from NDRC, the project representatives of the air traffic control project and the fuel supply project shall be CAAC Central and Southern Regional Administration (民航中南地區空管局), an independent third party of the Company and its connected persons, and Hainan Meiya Industrial Co., Ltd. (海南美亞實業有限公司), a company owned as to 50% by the Parent Company, respectively, which shall be responsible for the implementation and management of such projects. The Company confirms that these two projects are independent from the Airport Project and will be carried out separately by the above-mentioned project representatives and the Company will not participate in these projects. Therefore, there will be no contractual relationship among the Company and the above-mentioned two project representatives in such projects.

According to the Feasibility Study Report and the approval from NDRC, and leveraging the previous experience of the Parent Company in airport construction, the Parent Company will act as the project representative of the Airport Project, with an estimated aggregate investment amount of approximately RMB13.838 billion. Such estimated aggregate investment amount of approximately RMB13.838 billion of the Airport Project was determined with reference to the applicable national and regional

construction fee standards, applicable rules for composing of civil aviation airport construction project budget and interest rate of long-term bank loan of approximately 6.55%. According to the approval on the initial plan and budget of the Airport Project, an air traffic control project and a fuel supply project issued by Hainan Development and Reform Commission (海南省發展和改革委員會) and CAAC Central and Southern Regional Administration (中國民用航空中南地區管理局) on 27 October 2016 (Qiong DRC Approval [2016] No. 2429), the estimated aggregate investment amount of the Airport Project increased from RMB13.838 billion to RMB14.659 billion.

The Airport Project comprises the new airport terminal buildings, parking lot, cargo handling service area, ground handling service area, airport fire-fighting and rescue project, airport emergency respond and rescue project, vehicles and equipment project and its relevant assets (collectively as the “**Company Construction Project**”); and other projects including, without limitation, a runway, two sets of parallel taxiway and contact roads system, parking apron, aviation food preparation area, water supply system, electricity supply system, gas supply system and communication facilities (collectively as the “**Parent Company Construction Project**”). On 21 August 2015, the Company and the Parent Company entered into the Investment and Construction Agreement, pursuant to which the Company has agreed to provide funds, amounting to approximately RMB7.158 billion, to construct the Company Construction Project. The Parent Company shall act as the project representative of the Airport Project, responsible for organizing and supervising the implementation of construction plan of the Airport Project and the fund raising for the Parent Company Construction Project until its completion and acceptance.

For further details of the Airport Project, please refer to the announcement of the Company dated 21 August 2015 and the circular of the Company dated 7 October 2015.

EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS’ RESOLUTIONS AND AUTHORISATION GRANTED TO THE BOARD IN RELATION TO THE PARENT COMPANY SUBSCRIPTION, THE HAINAN HNA SUBSCRIPTION AND THE NEW H SHARES ISSUE

Reference is made to the circular of the Company dated 28 April 2017 and the poll results announcement of the Company dated 26 June 2017 in relation to the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue.

As disclosed in the above circular and the poll results announcement, the Board was authorized to deal with and complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue within nine (9) months following the passing of the relevant resolutions at the 2017 EGM and the 2017 Class Meetings.

The Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue will be completed on the same day. As advised by the PRC legal advisor of the Company, the Parent Company Domestic Shares Subscription Agreements and the Hainan HNA Domestic Shares Subscription Agreements remain valid and legally binding on the parties thereto.

As at the date of this announcement, the Company is still in the process of obtaining the approval from CSRC in relation to the New H Shares Issue. Therefore, considering that (i) the validity period of the Shareholders' resolutions relating to the New H Shares Issue which was approved by the Shareholders at the 2017 EGM and the 2017 Class Meetings; and (ii) the validity period of the authorisation granted to the Board to deal with and complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue which was approved by the Shareholders at the 2017 EGM and the 2017 Class Meetings, will expire on 25 March 2018, the Board proposed to convene the EGM and the Class Meetings for (i) the Shareholders to consider the New H Shares Issue Extension Resolution and (ii) the Independent Shareholders to consider the Board Authorisation Extension Resolutions, in order to extend the validity period of the Shareholders' resolutions relating to the New H Shares Issue and the authorisation granted to the Board to deal with and complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue for a further period of nine (9) months, i.e. from 26 March 2018 to 25 December 2018 by way of special resolutions. The Parent Company and its associates will abstain from voting on the Board Authorisation Extension Resolutions. The New H Shares Issue Extension Resolution is subject to the approval by CSRC.

Save as the validity period mentioned above, the major terms of the Specific Mandate and the New H Shares Issue remain unchanged and are set forth below:

(a) *Class of Shares to be issued*

Shares to be issued are H Shares with nominal value of RMB1.00 each.

(b) *Time of issuance*

The Company will select an appropriate time and issuance window within the validity period of the resolutions to be passed at the EGM and the Class Meetings to proceed with the New H Shares Issue. The specific time of issue will be determined by the Board with reference to the international capital market conditions, as well as the progress of review by the domestic and foreign administrative and/or regulatory authorities. It is currently expected that the proposed New H Shares Issue will be completed on the same day as the Parent Company Subscription and the Hainan HNA Subscription.

(c) ***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.

(d) ***Ranking of New H Shares***

Unless otherwise required by the applicable PRC laws and regulations and the Articles of Association, the New H Shares proposed to be issued should rank *pari passu* with the existing issued Domestic Shares and H Shares in all respects.

(e) ***Listing***

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the proposed New H Shares to be allotted and issued.

(f) ***Method of issuance***

The proposed New H Shares Issue will be carried out by way of private placement.

(g) ***Target placees***

Upon the grant of the New H Shares Issue Extension Resolution, the Board may proceed to place the New H Shares to qualified institutional, corporate and individual and other investors, who will be independent of and not connected with any Director, supervisor, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

It is expected that none of the placees will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the completion of the New H Shares Issue.

(h) ***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 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).

(i) ***Method of subscription***

The New H Shares are to be subscribed by the investors in cash, and issued and allotted in accordance with the terms of the placing agreement to be entered into between the Company and the placing agent(s) in relation to the proposed New H Shares Issue.

(j) ***Accumulated profits***

Any accumulated profits of the Company which remain undistributed immediately before the proposed New H Shares Issue shall be for the benefit of all the Shareholders (including the subscriber(s) of the New H Shares) as a whole.

(k) ***Use of proceeds***

Please refer to the section headed “G — Use of Proceeds” of the circular of the Company dated 28 April 2017 for details.

(1) *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 a further period of nine (9) months, commencing on the date of passing of the relevant resolutions at the EGM and the Class Meetings.

The Board will also seek the Shareholders' authorization at each of the EGM and the Class Meetings to authorize the Board and the persons delegated by the Board to deal with all the matters in relation to the New H Shares Issue with full authority for a further period of nine (9) months following the passing of the relevant resolution(s) at the EGM and the Class Meetings. Such matters include but are not limited to:

- (a) execute and submit all the relevant applications, reports and other documents to the relevant PRC and overseas regulatory departments or authorities and deal with all the relevant approvals, registration, filing, sanction and permission;
- (b) determine the terms of the proposed New H Shares Issue, including the determination of the actual size, issue price (including the price range and final price), timing, method and target placee(s) of the proposed New H Shares Issue, the execution, implementation, modification and termination of any agreement, contract or other documents in relation to the exercise of the Specific Mandate to issue the New H Shares, making adjustment to the use of proceeds of the proposed New H Shares Issue, and any other relevant matter;
- (c) negotiate and enter into subscription agreements with the placing agent(s) in relation to the proposed New H Shares Issue, and approving any revision or amendments to such placing agreement;
- (d) deal with all the matters in relation to obtaining all the approvals and permissions from the relevant authorities including but not limited to the CSRC, the Stock Exchange and/or any other relevant PRC and overseas authorities in relation to the proposed New H Shares Issue;
- (e) depending on the requirements at the time of the issuance, engage and appoint financial advisor, the placing agent(s), PRC and overseas legal advisers and other relevant agencies in relation to the proposed New H Shares Issue and enter into engagement or appointment letters and other relevant legal documents;

- (f) make appropriate amendments to the terms of the proposed New H Shares Issue in light of the specific circumstances and pursuant to the approval(s) by the relevant regulatory authorities;
- (g) execute, implement, amend and complete any document and do any act as necessary and appropriate in relation to the proposed New H Shares Issue;
- (h) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the proposed New H Shares Issue on the website of the Stock Exchange and the Company, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange; and
- (i) obtain the approval from the Stock Exchange for listing of and permission to deal in all of the New H Shares to be issued and allotted pursuant to the New H Shares Issue on the Main Board of the Stock Exchange.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT, THE LOAN ALLOCAION AGREEMENT AND THE EXTENSION RESOLUTIONS

In order to fund the construction of the Airport Project as well as specify the allocation of the Loan, the Company, the Parent Company and the Lenders entered into the Loan Agreement and the Loan Allocation Agreement. The Board is of the view that the construction of the Airport Project could promote the throughput of Meilan Airport to conform to the increasing demands of passenger and cargo flow and aircraft movements, and the Company could therefore benefit from the economy of scale in conducting the existing airport facilities operation together with new facilities provided by the Airport Project.

The terms of the Loan Agreement including the interest rate were agreed by the Lenders and the Borrowers after arm's length negotiations with reference to the normal prevailing commercial practice and the principal amount of the Loan. The terms of the Loan Allocation Agreement were also agreed by the Company and the Parent Company after arm's length negotiations with reference to the normal prevailing commercial practice. The Directors (excluding the independent non-executive Directors whose views will be contained in the circular after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Loan Agreement and the Loan Allocation Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As the Company is still in the process of obtaining the approval from CSRC in relation to the New H Shares Issue, it is uncertain whether the Company would be able to complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue before the expiry of the validity period of the Shareholders' resolutions related thereto. As such, the Board is of the view that it is necessary and in the interests of the Company and its Shareholders as a whole to propose the Extension Resolutions.

INFORMATION ABOUT THE COMPANY, THE PARENT COMPANY, HNA HOLDING GROUP, HAINAN HNA AND THE LENDERS

The Company is principally engaged in aeronautical and non-aeronautical businesses at Meilan Airport.

The Parent Company is principally engaged in ancillary airport service business.

HNA Holding Group is principally engaged in project investment, investment management and corporate management.

Hainan HNA is principally engaged in investment, construction and management of properties and infrastructures.

CDB is principally engaged in the provision of banking and related financial services.

ICBC Hainan Branch is principally engaged in the provision of banking and related financial services in Hainan Province.

ABC Hainan Branch is principally engaged in the provision of banking and related financial services in Hainan Province.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of HNA Holding Group, Hainan HNA, CDB, ICBC Hainan Branch and ABC Hainan Branch and their ultimate beneficial owners is not a connected person (as defined under the Listing Rules) of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company holds 50.19% of the total share capital of the Company and is a substantial shareholder of the Company. Accordingly, the Parent Company is a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As the Loan will be available to the Company and the Parent Company on a joint and several basis, each of the Company and the Parent

Company will be liable for the indebtedness incurred by the other under the Loan. Accordingly, the Loan constitutes a connected transaction involving provision of financial assistance to a connected person by the Company under Chapter 14A of the Listing Rules.

In addition, as the Loan does not involve disposal or acquisition of any assets, although the highest applicable percentage ratio in respect of the Loan contemplated under the Loan Agreement and the Loan Allocation Agreement is more than 100%, the Loan shall only be regarded as a major transaction instead of a very substantial acquisition or very substantial disposal pursuant to Chapter 14 of the Listing Rules.

Accordingly, the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder are subject to reporting, announcement, and the independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; and (ii) the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions. The Parent Company will abstain from voting on the resolutions to be proposed at the EGM for approving (i) the Loan Agreement and the Loan Allocation Agreement; and (ii) the Board Authorisation Extension Resolutions.

The Class Meetings will be convened to consider and, if thought fit, approve, among other things, the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions. The Parent Company will abstain from voting on the resolution to be proposed at the Class Meetings for approving the Board Authorisation Extension Resolutions.

Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquires, no Shareholder has a material interest in the Loan Agreement, the Loan Allocation Agreement and the Extension Resolutions, and no Shareholder is required to abstain from voting to approve the relevant resolution(s) at the EGM and the Class Meetings.

The votes to be taken at the EGM and the Class Meetings in relation to the above proposed resolutions will be taken by poll.

The Independent Board Committee comprising four independent non-executive Directors, namely Mr. Deng Tianlin, Mr. Fung Ching, Simon, Mr. George F Meng and Mr. He Linji, none of whom has any direct or indirect interest in the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder as well as the Board Authorisation Extension Resolutions, has been established to advise the Independent Shareholders in relation to their voting on the resolutions relating to the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder as well as the Board Authorisation Extension Resolutions.

Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder as well as the Board Authorisation Extension Resolutions.

A circular containing, among other things, (i) further details of the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; (ii) the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions; (iii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Loan Agreement, the Loan Allocation Agreement and the Board Authorisation Extension Resolutions; (iv) the letter from the Independent Board Committee to the Independent Shareholders in relation to the Loan Agreement, the Loan Allocation Agreement and the Board Authorisation Extension Resolutions; and (v) the notices of the EGM and the Class Meetings will be despatched to the Shareholders on or before 22 February 2018.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“2017 Class Meetings”	the class meetings of the Company held on 26 June 2017
“2017 EGM”	the extraordinary general meeting of the Company held on 26 June 2017
“ABC Hainan Branch”	the Hainan Branch of Agricultural Bank of China Limited (中國農業銀行股份有限公司海南省分行), a branch of a licensed bank established in the PRC

“Airport Project”	the airport project under the investment and construction agreement dated 21 August 2015 entered into between the Company and the Parent Company
“Articles of Association”	articles of association of the Company and its appendices
“Board”	the board of Directors
“Board Authorisation Extension Resolutions”	the proposed resolutions to extend the validity period of the authorisation granted to the Board to deal with and complete the Parent Company Subscription, the Hainan HNA Subscription and the New H Shares Issue, for a further period of nine (9) months, from 26 March 2018 to 25 December 2018
“Borrowers”	the Parent Company and the Company
“CDB”	China Development Bank Limited (國家開發銀行股份有限公司), a state-owned development finance institution organised under the laws of the PRC
“Class Meetings”	the respective class meetings of the Domestic Shareholders and the H Shareholders to be convened by the Company for the purposes of considering and, if thought fit, approving, among other things, the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions, including any adjournment in respect thereof
“Company”	HNA Infrastructure Company Limited* (海航基礎股份有限公司), a joint stock company incorporated in the PRC with limited liability
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors of the Company
“Domestic Share(s)”	the domestic ordinary share(s) with a nominal value of RMB1.00 each in the registered share capital of the Company, which is/are subscribed for in RMB
“Domestic Shareholder(s)”	holders of Domestic Shares
“Drawdown Date”	the date on which the Loan is drawdown

“EGM”	the extraordinary general meeting to be convened by the Company for the purposes of considering and, if thought fit, approving, among other things, (i) the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; and (ii) the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions, including any adjournment in respect thereof
“Extension Resolutions”	the New H Shares Issue Extension Resolution and the Board Authorisation Extension Resolutions
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“Hainan HNA”	海南海航基礎設施投資集團股份有限公司 (Hainan HNA Infrastructure Investment Group Company Limited*), a joint stock company incorporated in the PRC with limited liability
“Hainan HNA Domestic Shares Subscription Agreements”	the domestic subscription agreement dated 30 December 2016 entered into between the Company and Hainan HNA and the supplemental agreement entered into between the Company and Hainan HNA on 27 April 2017
“Hainan HNA Subscription”	the subscription of the not more than 50,000,000 new Domestic Shares in aggregate contemplated under the Hainan HNA Domestic Shares Subscription Agreements
“HNA Holding Group”	HNA Holding Group Co., Ltd. (海航實業集團有限公司), a company incorporated in the PRC with limited liability
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“ICBC Hainan Branch”	the Hainan Branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司海南省分行), a branch of a licensed bank established in the PRC

“Independent Board Committee”	an independent board committee of the Company comprising of all the independent non-executive Directors to advise the Independent Shareholders on (i) the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; and (ii) the Board Authorisation Extension Resolutions
“Independent Financial Adviser”	Octal Capital Limited, and being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on (i) the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; and (ii) the Board Authorisation Extension Resolutions
“Independent Shareholders”	Shareholders other than the Parent Company and their associates (as defined in the Listing Rules) who do not have any material interests in (i) the Loan Agreement, the Loan Allocation Agreement and the transactions contemplated thereunder; and (ii) the Board Authorisation Extension Resolutions
“Interest Adjustment Date”	the anniversary date of the first Drawdown Date
“Investment and Construction Agreement”	the investment and construction agreement dated 21 August 2015 entered into between the Company and the Parent Company in respect of the Airport Project
“Lenders”	CDB, ICBC Hainan Branch and ABC Hainan Branch
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of RMB7.8 billion granted by the Lenders to the Company and the Parent Company on a joint and several basis for a period of 20 years, which shall solely be used for the construction of the Airport Project

“Loan Agreement”	the loan agreement dated 1 February 2018 entered into between the Lenders and the Borrowers, pursuant to which, the Lenders agreed to grant the Loan to the Company and the Parent Company on a joint and several basis in the principal amount of RMB7.8 billion for a period of 20 years, which shall solely be used for the construction of the Airport Project
“Loan Allocation Agreement”	the loan allocation agreement dated 1 February 2018 entered into between the Company and the Parent Company for the purpose of specifying the allocation of the Loan between the Company and the Parent Company
“Meilan Airport”	the civil airport known as 海口美蘭國際機場 (Haikou Meilan International Airport) located in Haikou City, Hainan Province, the PRC
“NDRC”	National Development and Reform Commission of the People’s Republic of China (中華人民共和國國家發展和改革委員會)
“New H Shares”	the maximum number of 200,000,000 H Shares proposed to be issued upon the exercise of the Specific Mandate
“New H Shares Issue”	the issue of the maximum number of 200,000,000 H Shares by way of private placing upon the exercise of the Specific Mandate, if granted, subject to fulfilment of certain conditions stated in the announcements dated 30 December 2016 and 27 April 2017
“New H Shares Issue Extension Resolution”	the proposed resolution to extend the validity period of the Specific Mandate in relation to the New H Shares Issue, for a further period of nine (9) months, from 26 March 2018 to 25 December 2018
“Parent Company”	Haikou Meilan International Airport Co., Ltd. (海口美蘭國際機場有限責任公司), a limited liability company established in the PRC which is the controlling Shareholder of the Company
“Parent Company Domestic Shares Subscription Agreements”	the subscription agreement dated 30 December 2016 entered into between the Company and the Parent Company and the supplemental agreement entered into between the Company and Hainan HNA on 27 April 2017

“Parent Company Subscription”	the subscription of the not more than 439,987,125 new Domestic Shares in aggregate contemplated under the Parent Company Domestic Shares Subscription Agreements
“Participant Banks”	ICBC Hainan Branch and ABC Hainan Branch
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holder(s) of the shares of the Company
“Shares”	ordinary shares issued by the Company
“Specific Mandate”	the specific mandate granted by the Shareholders to the Board in relation to the New H Shares Issue on 26 June 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By the order of the Board
HNA Infrastructure Company Limited*
Liao Hongyu
Chairman

Haikou, Hainan Province, the PRC
1 February 2018

As at the date of this announcement, the Board comprises of (i) four executive Directors, namely Mr. Liao Hongyu, Mr. Tu Haidong, Mr. Zhou Feng and Mr. Wu Jian; (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*