

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

**PROPOSED RE-ELECTION OF A NON-EXECUTIVE DIRECTOR
AND
PROPOSED LAUNCH OF ASSET-BACKED SECURITIZATION PLAN**

PROPOSED RE-ELECTION OF A NON-EXECUTIVE DIRECTOR

The Board announces that an ordinary resolution will be proposed at the EGM to re-elect Mr. Hu Wentai as a non-executive Director with effect from the date of the EGM.

PROPOSED LAUNCH OF ASSET-BACKED SECURITIZATION PLAN

The Board announces that a special resolution will be proposed at the EGM to approve the launch of the asset-backed securities business up to RMB2 billion.

CIRCULAR

A circular containing, among other things, further information regarding the proposed re-election of the non-executive Director and the proposed launch of the asset-backed securitization plan, together with the notice of the EGM, will be despatched to the Shareholders as soon as possible.

PROPOSED RE-ELECTION OF A NON-EXECUTIVE DIRECTOR

Subject to the approval by the shareholders (the “**Shareholders**”) of HNA Infrastructure Company Limited (the “**Company**”) at the extraordinary general meeting to be held on 9 July 2018 (the “**EGM**”), the board (the “**Board**”) of directors (“**Directors**”) of the Company proposes to re-elect Mr. Hu Wentai (胡文泰先生) (“**Mr. Hu**”) as a non-executive Director.

In order to allow the Shareholders to make an informed decision in respect of the proposed re-election, the biographical details of Mr. Hu are set out below pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Mr. Hu, aged 63, was re-appointed as a non-executive Director and the vice chairman of the Company in July 2015. He has also served a member of the strategic committee of the Company. Mr. Hu successively served as the general manager of Hainan Henghe Property Management Company Limited (海南恒禾物業管理有限公司) and the executive vice president of Haikou Meilan International Airport Company Limited (海口美蘭國際機場有限責任公司) from August 2000 to September 2002. Since Mr. Hu joined the Company in September 2002, he has successively held a number of senior positions in the Company, including the deputy general manager, chief operating officer, vice president and vice chairman of the Company. From February 2006 to February 2008, he concurrently served as the chairman of Haikou New City District Construction Development Co., Ltd. (海口新城區建設開發有限公司) and the deputy general manager of Beijing HNA Realty Group Company Limited (北京海航地產集團有限公司). Since February 2016 till now, he has concurrently served as the deputy commander of the phase II expansion project of Haikou Meilan International Airport. Mr. Hu has extensive experience in the area of airport management and project construction.

Save as disclosed above and as at the date of this announcement, Mr. Hu (i) has not held any other directorships in listed public companies in the last three years; (ii) does not have any relationship with any other Directors, supervisors and senior management of the Company or substantial shareholders or controlling shareholders of the Company; and (iii) was not interested in any shares of the Company as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). There is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

Mr. Hu will be appointed as a non-executive Director for a term of three years commencing from the grant of approval at the EGM and subject to re-election in accordance with the articles of association of the Company (the “**Articles of Association**”) or pursuant to the Listing Rules. The remuneration of Mr. Hu as a non-executive Director will be determined with reference to the remuneration policies as approved at the annual general meeting of the Company.

PROPOSED LAUNCH OF ASSET-BACKED SECURITIZATION PLAN

The Board proposes that asset-backed securities business up to RMB2 billion be launched by the Company (the “**Asset-backed Securities**”), subject to approval of the Shareholders by passing a special resolution at the EGM and approval of relevant regulatory authorities in the PRC. Particulars of the launch of the Asset-backed Securities are as follows:

(a) Underlying Assets

The underlying assets under the asset-backed securitization plan (the “**Plan**”) will be the revenue receivable by the Company generated from granting franchise rights to qualified operators and leasing business places to qualified lessees for a period from the establishment of the Plan to six years after the establishment of the Plan.

(b) Plan Manager

The plan manager (the “**Plan Manager**”) will be an institution to be appointed by the Company to handle the securitization of the Asset-backed Securities. The Plan Manager will create and sell the Asset-backed Securities, use the proceeds of the sale to pay back the Company for the underlying assets mentioned above.

(c) Securities to be created under the Plan

Details of the information on the Assets-backed Securities are set out below (subject to adjustment according to market conditions and the requirements of relevant regulatory authorities):

Aggregate amount of the fund expect to be raised:	Not more than RMB2 billion, of which not more than RMB1.89 billion of priority asset-backed securities shall be issued to not more than 200 qualified institutional investors in the PRC and not more than RMB0.11 billion of subordinate asset-backed securities shall be subscribed by the Company.
---	---

Issue price:	To be determined according to the market conditions prevailing at the time of issue.
Interest rate:	Fixed rate for priority asset-backed securities and no nominal interest rate for subordinate asset-backed securities; the interest will be paid every half a year until their maturity.
Use of proceeds:	All the proceeds will be used for the repayment of (i) the outstanding principal of the asset-backed securities amounting to RMB750 million due in 2018; (ii) the outstanding principal of the corporate bonds amounting to RMB800 million due in 2019; and (iii) the outstanding principal of the corporate bonds amounting to RMB500 million due in 2019.
Listing:	Application for listing of and dealing of the Asset-backed Securities shall be filed with the Shanghai Stock Exchange in the PRC following the completion of the issue of such Asset-backed Securities.
Guarantee:	In the event that the funds of the Plan short to repay any expected interest of the priority asset-backed securities or any outstanding principal, the Company shall make up the balance.

In addition, it is also proposed by the Board that at the EGM, subject to approval of the launch of the Asset-backed Securities at the EGM, the chairman of the Board be authorised to exercise all powers to handle all matters relating to the Plan, including but not limited to:

- i. subject to the applicable laws and regulations, with reference to the specific conditions of the market and the Company, to determine and adjust the specific plan of the issue of the Asset-backed Securities, including but not limited to the issue scale, issue costs, duration of issue, use of proceeds, repayment method and matters in relation to guarantee;
- ii. to make appropriate adjustments on the matters relating to the Plan, or to decide whether to proceed the Plan based on the actual situations in accordance with any changes on the opinions of the regulatory authorities, policies or market conditions, except for the matters which are subject to the Shareholders' approval in accordance with the relevant laws, regulations and the Articles of Association;
- iii. to determine the engagement of professional parties and to execute agreements in relation to the engagement; and
- iv. to handle other matters in relation to the Plan.

The above authorisation, if granted, will be valid from the date of the approval by the Shareholders at the EGM until the completion of the matters under such authorisation.

The proposed launch of Asset-backed Securities by the Company may or may not occur and will not be placed to the Shareholders. The Shareholders and investors should therefore exercise caution in dealing in the shares of the Company.

CIRCULAR

A circular containing, among other things, further information regarding the proposed re-election of the non-executive Director and the proposed launch of the Plan, together with the notice of the EGM, will be despatched to the Shareholders as soon as possible.

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

Hainan, the PRC
24 May 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. Xing Zhoujin; (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*