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海南美蘭國際空港股份有限公司
Hainan Meilan International Airport Company Limited*

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

(Stock Code: 357)

**EXTENSION OF VALIDITY PERIOD OF SHAREHOLDERS' RESOLUTIONS
AND AUTHORISATION GRANTED TO THE BOARD
IN RELATION TO THE PARENT COMPANY SUBSCRIPTION AND
THE NEW H SHARES ISSUE
PROPOSED AOA CONSEQUENTIAL AMENDMENTS**

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

Reference are made to (i) the circular of the Company dated 20 August 2020 and the poll results announcement of the Company dated 18 September 2020, in relation to, among others, the Shareholder's resolution and authorisation granted to the Board in relation to the Parent Company Subscription and the New H Share Issue; and (ii) the supplemental circular of the Company dated 21 September 2021 and the poll results announcement of the Company dated 8 October 2021, in relation to, among others, the Shareholder's resolution and authorisation granted to the Board in relation to the extension of validity period of Shareholders' resolutions and authorization granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue.

The validity period of the Shareholder's resolution and authorisation granted to the Board in relation to the Parent Company Subscription will expire on 17 September 2022. Based on the reasons disclosed in this announcement below, the Company believes that a further twelve (12)-month extension is required and is in the best interest of the Shareholders.

In order to enable the Board to complete the Parent Company Domestic Shares Subscription Agreements and the Parent Company Subscription contemplated thereunder, and the New H Shares Issue, the Board proposed to convene the Extraordinary General Meeting and the Class Meetings for the Shareholders to consider, among other things, each of the Extension Resolutions to extend the validity period of the Shareholders' resolutions and the authorisation granted to the Board to deal with and complete the Parent Company Subscription and the New H Shares Issue for a further period of twelve (12) months, commencing from 18 September 2022 and ending on 17 September 2023.

PROPOSED AOA CONSEQUENTIAL AMENDMENTS

The Board proposed to convene the Extraordinary General Meeting and the Class Meetings for the grant of authority to make consequential amendments to the Articles of Association as the Board thinks fit to reflect the latest registered capital structure of the Company as a result of each of the issuance of the Subscription Shares and the New H Shares.

GENERAL

The Extraordinary General Meeting and Class Meetings will be convened to consider and, if thought fit, approve, among other things, the Extension Resolutions (including the Parent Company Subscription Extension Resolutions and the New H Shares Issue Extension Resolutions) and the proposed AOA Consequential Amendments. The Parent Company, which controls over the voting right in respect of its shares in the Company, will abstain from voting on the Parent Company Subscription Extension Resolutions at the Extraordinary General Meeting and the Domestic Shareholders Class Meeting.

A circular containing, among other things, (i) further details of the Extension Resolutions and the proposed AOA Consequential Amendments; (ii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Parent Company Subscription Extension Resolutions; (iii) the letter from the Independent Board Committee to the Independent Shareholders in relation to the Parent Company Subscription Extension Resolutions; and (iv) the notices of the Extraordinary General Meeting and the Class Meetings will be despatched to the Shareholders on or before 26 August 2022.

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

Reference are made to (i) the circular of the Company dated 20 August 2020 and the poll results announcement of the Company dated 18 September 2020, in relation to, among others, the Shareholder's resolution and authorisation granted to the Board in relation to the Parent Company Subscription and the New H Share Issue; and (ii) the supplemental circular of the Company dated 21 September 2021 and the poll results announcement of the Company dated 8 October 2021, in relation to, among others, the Shareholder's resolution and authorisation granted to the Board in relation to the extension of validity period of Shareholders' resolutions and authorization granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue.

As disclosed in the circular of the Company dated 20 August 2020 and the poll results announcement of the Company dated 18 September 2020, (i) the 2020 Parent Company Domestic Shares Subscription Agreement and the Parent Company Subscription contemplated thereunder were approved by the Shareholders; (ii) the Board was authorized to deal with and complete the Parent Company Subscription and the New H Shares Issue within twelve (12) months following the passing of the relevant resolutions at the 2020 EGM and the 2020 Class Meetings.

As disclosed in the supplemental circular of the Company dated 21 September 2021 and the poll results announcement of the Company dated 8 October 2021, (i) the 2021 Supplemental Parent Company Domestic Shares Subscription Agreement and the Parent Company Subscription contemplated thereunder were approved by the Shareholders; and (ii) the Board was authorized to deal with and complete the Parent Company Subscription and the New H Shares Issue within twelve (12) months following the passing of the relevant resolutions at the 2021 EGM and the 2021 Class Meetings.

The validity period of the Shareholder's resolution and authorisation granted to the Board in relation to the Parent Company Subscription will expire on 17 September 2022. Based on the reasons disclosed in this announcement below, the Company believes that a further twelve (12)-month extension is required and is in the best interest of the Shareholders.

Based on the 2021 Valuation, the value of the Phase I Runway Assets is approximately RMB1.52 billion. The consideration for the Parent Company Subscription will still be based on the 2021 Valuation. The Board proposed to seek the Independent Shareholders' approval to, in the event that a new valuation report is required to be issued by a domestic or offshore appraisal entity in accordance with the requirements of domestic and offshore laws and regulations or regulatory authorities, and if there is any difference between such valuation results and the 2021 Valuation, authorize the Board and the persons delegated by the Board to determine the final consideration if there is no material difference in valuation (i.e. within a difference not more than 1% between the 2021 Valuation and any new valuation) and sign supplemental agreement (if necessary) in relation to the Parent Company Subscription.

In order to enable the Board to complete the Parent Company Domestic Shares Subscription Agreements and the Parent Company Subscription contemplated thereunder, and the New H Shares Issue, the Board proposed to convene the Extraordinary General Meeting and the Class Meetings for the Shareholders to consider, among other things, each of the Extension Resolutions to extend the validity period of the Shareholders' resolutions and the authorisation granted to the Board to deal with and complete the Parent Company Subscription and the New H Shares Issue for a further period of twelve (12) months, commencing from 18 September 2022 and ending on 17 September 2023, including the grant of authorization to the Board and the persons delegated by the Board to determine the final consideration if there is no material difference in valuation (i.e. within a difference not more than 1% between the 2021 Valuation and any new valuation) and sign supplemental agreement (if necessary) in relation to the Parent Company Subscription. The Parent Company and its associates will abstain from voting on the Parent Company Subscription Extension Resolutions.

Details of the Specific Mandate are set out 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 Extraordinary General Meeting 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.

(c) Size of issuance

The New H Shares to be issued shall not exceed 155,000,000 H Shares, representing not more than 32.75% of the total share capital of the Company before the Parent Company Subscription and the New H Shares Issue, and approximately 20.15% of total share capital of the Company as enlarged by the Parent Company Subscription (assuming the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company) and the New H Shares Issue; and representing not more than 68.31% of share capital of H Shares of the Company before the New H Shares Issue, and 40.59% of share capital of H Shares of the Company as enlarged by 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 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 placee(s)

Upon the grant of the Specific Mandate, 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 shareholder of the Company or any of its subsidiaries or any of their respective associates.

If any investor of the New H Shares becomes a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the completion of the New H Shares Issue, the Company will ensure compliance with the public float requirement under Rule 8.08(1) of the Listing Rules upon completion of the New H Shares Issue. If the number of the placee(s) is less than six (6), the Company will comply with the disclosure requirements under Rule 13.28(7) of the Listing Rules.

(h) Pricing mechanism

The New H Shares will be issued at an issue price which is the highest of the followings:

- (1) RMB10.80 (equivalent to approximately HK\$12.67) per Subscription Share, being the audited net asset value per Share of the Company as at 31 December 2019; or
- (2) the audited net asset value per Share of the Company as at the end of the financial year preceding the Date of Relevant Agreement; or
- (3) 90% of the highest among the followings:
 - (i) the closing price of H Share as quoted on the Stock Exchange at the Date of Relevant Agreement;
 - (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 Relevant Agreement;
 - (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 Relevant Agreement; 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 Relevant Agreement.

Such pricing mechanism of the issue price was determined by the Board after taking into account the interests of existing Shareholders, investors' capabilities, the potential issuance risks, the market practice and applicable regulatory requirements, as well as the conditions of the civil aviation industry, the business pattern, the operation status and prospects and the asset quality of the Company and with reference to the net asset value per Share of the Company, the market price of the H Shares and the market conditions at the Date of Relevant Agreement. The applicable exchange rate of Renminbi to Hong Kong dollars shall be the exchange rate of Renminbi to Hong Kong dollars promulgated by the People's Bank of China on the Date of Relevant Agreement.

(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 subscription agreement(s) to be entered into between the Company and the placee(s) and/or the placing agreement(s) 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 "Use of Proceeds" in this announcement for details.

(l) Validity period of the resolutions

The resolutions relating to the Specific Mandate will be extended and valid for a further period of twelve (12) months, commencing from 18 September 2022 and ending on 17 September 2023.

The Board will also seek the Shareholders' approval at each of the Extraordinary General Meeting and the Class Meetings to extend the authorization to 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 twelve (12) months, commencing from 18 September 2022 and ending on 17 September 2023:

- (1) 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;

- (2) 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;
- (3) negotiate and enter into subscription agreement(s) with the placee(s) and/or the placing agreement(s) with the placing agent(s) in relation to the proposed New H Shares Issue, and approving any revision or amendments to such agreement(s);
- (4) 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;
- (5) 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;
- (6) 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;
- (7) execute, implement, amend and complete any document and do any act as necessary and appropriate in relation to the proposed New H Shares Issue;
- (8) approve the publication of relevant announcement(s), circular(s) and notice(s) in relation to the proposed New H Shares Issue on the websites of the Stock Exchange and the Company, respectively, and the submission of relevant forms, files or other documents to the Stock Exchange;
- (9) 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;
- (10) adjust or waive in time any one of the conditions precedent for the proposed New H shares Issue based on the actual conditions; and
- (11) take all necessary actions to deal with the matters in relation to the proposed New H Shares Issue.

POSSIBLE CHANGES IN SHARE CAPITAL AND SHAREHOLDING STRUCTURE

Solely for illustration purposes, assuming that: (i) the proposed Extension Resolutions are granted by the Shareholders at the forthcoming Extraordinary General Meeting and the Class Meetings; (ii) the Board exercises the proposed Specific Mandate in full; (iii) all conditions for the proposed New H Shares Issue have been satisfied; (iv) the maximum of 155,000,000 New H Shares are issued pursuant to the proposed Specific Mandate; and (v) the maximum of 140,741,000 Subscription Shares are subscribed by the Parent Company pursuant to the Parent Company Subscription, the possible changes in the share capital and shareholding structure of the Company will be as follows:

| Class of Shares | As at the date of this announcement | | Immediately after issuance of the Subscription Shares and the New H Shares | |
|--|--|--|--|--|
| | No. of Shares | Percentage of total issued Shares (%) | No. of Shares (maximum) | Percentage of total issued Shares (%) |
| Domestic Share | | | | |
| Parent Company | 237,500,000 | 50.19 | 378,241,000 | 49.19 |
| Hainan Airlines Holding Co., Ltd.* (海南航空控股股份有限公司) | 5,287,500 | 1.12 | 5,287,500 | 0.69 |
| HNA Group Co., Ltd.* (海航集團有限公司) | 3,512,500 | 0.74 | 3,512,500 | 0.46 |
| H Shares | | | | |
| H shares in issue | | | | |
| Public Shareholders | 226,913,000 | 47.95 | 226,913,000 | 29.51 |
| New H Shares | 0 | 0 | 155,000,000 | 20.15 |
| Total Number of Issued Shares | <u>473,213,000</u> | <u>100</u> | <u>768,954,000</u> | <u>100</u> |

The Company would undertake to comply with the public float requirement under Rule 8.08(1) of the Listing Rules after completion of the New H Shares Issue and the Parent Company Subscription.

The Company confirms that it will comply with Rule 7.27B of the Listing Rules in respect of the Parent Company Subscription and New H Shares Issue.

PROPOSED CONSEQUENTIAL AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to convene the Extraordinary General Meeting and the Class Meetings for the grant of authority to make consequential amendments to the Articles of Association as the Board thinks fit to reflect the latest registered capital structure of the Company as a result of each of the issuance of the Subscription Shares and the New H Shares.

REASONS FOR AND BENEFITS OF THE EXTENSION RESOLUTIONS

The validity period of the Shareholders' resolutions and authorisation granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue expired on 17 September 2022. In order to further promote the Parent Company Subscription and the New H Shares Issue, the Company proposes Extension Resolutions after considering, among others, the following reasons:

1. Acquisition of the Phase I Runway Assets

The Phase I Runway Assets which consist of Phase I runway of Meilan Airport and other auxiliary facilities, are located at the Meilan Airport. Phase I runway of Meilan Airport is approximately 3,600 meters long and 60 meters wide, equipped with the parallel taxiway which is approximately 3,600 meters long and 44 meters wide, 78 aircraft parking stands, globally advanced navigational lighting aid system, communication navigation equipment and other service facilities. It can satisfy the full-weight takeoff and landing requirements of large aircrafts, such as Boeing 747-400. The original cost of the construction of the Phase I Runway Assets of the Parent Company was approximately RMB592,255,000.

Prior to the acquisition of the Phase I Runway Assets under the 2020 Parent Company Domestic Shares Subscription Agreement, the Phase I Runway Assets is owned and operated by the Parent Company. The Directors are of the view that the acquisition of the Phase I Runway Assets will enable the Company to better run its operational assets consistent with the "High Standard, Strict Compliance" (高標準, 嚴要求) standards in the civil aviation industry. In addition, upon the completion of the acquisition of the Phase I Runway Assets, the Parent Company's share of the service fees will reduce from 25% to such lesser amount to be approved by the CAAC. The increase of the service fees to be received by the Company going forward, as a result of the acquisition of the Phase I Runway Assets, will strengthen the revenue stream and competitiveness of the Company. To ensure the timely completion of the Parent Company Subscription and avoid the possible adverse impact of the tightening of local property transfer policies by the government of Haikou City, as agreed by both parties, As at the date of this announcement, the Parent Company has cooperated with the Company to complete the transfer and registration procedures of part of the Phase I Runway Assets in advance. Before the completion of the Parent Company Subscription, the Parent Company will still have the ownership and operation right of such part of the Phase I Runway Assets.

2. Equity fundraising to improve working capital

As an important transportation hub for the construction of Hainan Free Trade Port, Meilan Airport is well positioned to capture opportunities in connection with the Hainan Free Trade Port. The Company believes that the proposed New H Shares Issue will improve its capital structure, strengthen its financial risk resilience, enhance its solvency and expand its financial base. As such, the Company wishes to take advantage of the relatively low cost to raise additional funds through the issuance of the New H Shares to the investors to replenish its working capital to equip the Group to carry out the renovation and expansion of infrastructure and the intelligent upgrade of the airport and to fund any operational needs of the Company (including the repayment of debts).

Reference is made to the announcement of the Company dated 5 January 2021. As disclosed in the announcement, Aero Infrastructure Holding Company Limited and the Company entered into the Past New H Shares Subscription Agreement. The Company received a notice of arbitration (the “**Notice of Arbitration**”). Pursuant to the Notice of Arbitration, Aero Infrastructure Holding Company Limited, as the claimant (the “**Claimant**”), filed an arbitration (the “**Arbitration**”) with the Hong Kong International Arbitration Centre against the Company asserting allegations in connection with the Past New H Shares Subscription Agreement. The Claimant alleged that the Company breached the Subscription Agreement and claimed damages in the amount of HK\$5,832 million or HK\$6,962 million and related arbitration costs in the Notice of Arbitration. As at the date of this announcement, the Claimant has submitted the response to the Arbitration and supporting documents and the Company has submitted the first round written affirmative defenses and supporting documents and is in the process of preparing the second round written affirmative defenses and supporting documents. For further details of the Arbitration, please refer to the announcement of the Company dated 5 January 2021. As at the date of this announcement, the Arbitration is still pending.

Reference is also made to the announcements of the Company dated 15 March 2021, 24 October 2021 and 1 November 2021. As disclosed in the announcements, on 15 March 2021, the Company received notice from Parent Company regarding the court ruling on acceptance of the restructuring of Parent Company. On 23 October 2021, the administrator of HNA Group Co., Ltd. (海航集團有限公司) issued the announcement of the Voting Result of the Restructuring Plan (Draft) for the Substantial Consolidated Restructuring of 321 Companies including HNA Group Co., Ltd. (the “**Restructuring Plan**”), which included the Parent Company. According to such announcement, the Restructuring Plan was passed by voting. On 31 October 2021, the Parent Company received a notice that Hainan High People’s Court has ruled to approve the Restructuring Plan, and terminate the restructuring process of such companies. The restructuring of the Parent Company was completed on 24 April 2022, which has contributed to the delay of the application process by the Company with CSRC in relation to the proposed New H Shares Issue.

Taking the above events into consideration, the Board believes that the Company needs more time to complete the Parent Company Subscription and the New H Share Issue. The Company needs to, among others, approach and negotiate with potential investors, complete the New H Shares Issue (including but not limited to signing the placing agreement and obtaining the approval from the Stock Exchange) and to complete the closing work of the Parent Company Subscription and the New H Shares Issue. Therefore, the Company believes that a further twelve(12)-month extension is required and is in the best interest of the Shareholders.

The Company confirms that as the majority shareholder(s) of the Company needs to be entities incorporated in the PRC according to relevant PRC laws and regulations, the completion of the Parent Company Subscription is a condition precedent for the New H Shares Issue. Upon the completion of the Parent Company Subscription, the Company will proceed with the New H Shares Issue. As mentioned above, the Company believes that the proposed New H Shares Issue will improve its capital structure, strengthen its financial risk resilience, enhance its solvency and expand its financial base with a view to capture opportunities in connection with the Hainan Free Trade Port. If both of the Parent Company Subscription and the New H Shares Issue do not proceed, there is no need to make consequential amendments to the Articles of Association and therefore, it is not necessary to conduct the proposed AOA Consequential Amendments.

USE OF PROCEEDS

The use of proceeds will remain the same as disclosed in the announcement of the Company dated 24 July 2020 and the circulars of the Company dated 20 August 2020 and 21 September 2021.

Solely for illustration purposes, assuming the New H Shares are fully placed at the price of RMB10.80 (equivalent to approximately HK\$12.67), the gross proceeds from the proposed New H Shares Issue will be approximately RMB1,674,000,000 (equivalent to approximately HK\$1,868,721,000) and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately RMB1,651,000,000 (equivalent to approximately HK\$1,843,045,000).

The net proceeds from the proposed New H Shares Issue, after deducting relevant expenses, will be used as follows:

1. Approximately 40% shall be used for expansions, upgrades, improvements and maintenance of existing terminal buildings and other areas of Meilan Airport

The existing terminal buildings of Meilan Airport have been in use for over twenty (20) years. In order to consolidate existing operation level of Meilan Airport and to improve safety operation of Meilan Airport, it is expected that the Company will invest approximately 40% of the net proceeds in the upgrades, improvements and maintenance of the existing terminal buildings of Meilan Airport.

As at the date of this announcement, the Company has not entered into any agreement, arrangement, understanding or undertaking for the upgrades, improvements and maintenance of the existing terminal buildings of Meilan Airport.

2. Approximately 35% shall be used to repay the loans and replenish the working capital of the Company

To guarantee the smooth operation and to reduce the financing cost of the Company, approximately 35% of the net proceeds shall be used to repay the loans and replenish the working capital of the Company (including but not limited to operation cost of the Company, such as tax, labour cost, cost of water and electricity, environmental handling fee and afforestation fee).

3. Approximately 25% shall be used for introducing innovative technology and upgrading Meilan Airport to a “smart airport”

Since 2013, the Company has launched the “smart airport” project with remarkable achievements. The Company expects to invest approximately 25% of the net proceeds in construction projects in relation to “smart airport” including but not limited to the basic cloud platform (基礎雲平台), GIS (geographic information system), the information exchange platform and the data warehouse.

As at the date of this announcement, the Company has not entered into any agreement, arrangement, understanding or undertaking for investment in innovation technology.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE (12) MONTHS

The Company has not conducted any equity fund raising activity or any issuance of equity securities in the twelve (12) months preceding the date of this announcement.

APPLICATION FOR LISTING

Application will be made to the Listing Committee for listing or, and permission to deal in, the Subscription Shares on the Stock Exchange.

INFORMATION OF THE COMPANY AND THE PARENT COMPANY

The Company is principally engaged in aeronautical and non-aeronautical businesses at Meilan Airport, in Hainan Province, the PRC.

The Parent Company is principally engaged in ancillary airport service business in the PRC. As at the date of this announcement, the Parent Company is owned as to approximately 64.97% by certain PRC state-owned or state-controlled enterprises, including Hainan Airport Industrial Investment Co., Ltd.* (海南機場實業投資有限公司) as to 46.81%, a company controlled by the State-owned Assets Supervision and Administration Commission of Hainan Province, CDB Development Fund Co., Ltd. (國開發基金有限公司) as to 14.18%, a subsidiary of China Development Bank which is indirectly wholly-owned by the State-owned Assets Supervision and Administration Commission, China Southern Airlines Company Limited (中國南方航空股份有限公司) as to 2.42% and China National Aviation Fuel Supply Co., Ltd. (中國航空油料有限責任公司) as to 1.56%, each a company controlled by the State-owned Assets Supervision and Administration Commission. The remaining approximately 35.03% of equity interest of the Parent Company is indirectly held by CITIC Limited. The State-owned Assets Supervision and Administration Commission of Hainan Province is the largest shareholder of the Parent Company and is a special institution directly under the government of Hainan Province and responsible for the supervision and administration of state-owned assets of Hainan Province. CDB Development Fund Co., Ltd. (國開發基金有限公司) is a policy-oriented investment company focusing on investment in national key projects. China Southern Airlines Co., Ltd. (中國南方航空股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code:600029.SH), mainly providing air transport service, general aviation service, aircraft maintenance service and other aviation-related services. China National Aviation Fuel Co., Ltd. (中國航空油料有限責任公司) is principally engaged in the wholesale of gasoline, kerosene and diesel oil in the civil aviation system of the PRC. CITIC Limited is a company listed on the Stock Exchange (stock code:00267), mainly engaging in businesses in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanization.

GENERAL

Each of Mr. Wang Hong, Mr. Xing Zhoujin, Mr. Qiu Guoliang, Mr. Li Zhiguo and Mr. Wu Jian is interested in the Parent Company Subscription Extension Resolutions as they are nominated to the Board by the Parent Company and some also hold directorship or senior management position in the Parent Company, and therefore had abstained from voting on the relevant resolutions at the Board meeting approving the same. Mr. Wang Hong, an executive Director, the chairman of the Board and president of the Company has served as chairman of the board of directors and the legal representative of the Parent Company and Mr. Qiu Guoliang, a non-executive Director, has served as the general manager of the Parent Company since June 2022, respectively. Mr. Li Zhiguo, a non-executive Director, has served as the deputy general manager of the Parent Company and Mr. Xing Zhoujin, an executive Director, has served as the secretary to the board of directors of the Parent Company, respectively.

The Extraordinary General Meeting and Class Meetings will be convened to consider and, if thought fit, approve, among other things, the Extension Resolutions (including the Parent Company Subscription Extension Resolutions and the New H Shares Issue Extension Resolutions) and the proposed AOA Consequential Amendments. The Parent Company, which controls over the voting right in respect of its shares in the Company, will abstain from voting on the Parent Company Subscription Extension Resolutions at the Extraordinary General Meeting and the Domestic Shareholders Class Meeting.

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 Extension Resolutions and the proposed AOA Consequential Amendments, and no Shareholder is required to abstain from voting to approve the relevant resolution(s) at the Extraordinary General Meeting and the Class Meetings.

The votes to be taken at the Extraordinary General Meeting 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. Fung Ching, Simon, Mr. Deng Tianlin, Mr. George F Meng and Mr. Ye Zheng, none of whom has any direct or indirect interest in the Parent Company Subscription Extension Resolutions, has been established to advise the Independent Shareholders in relation to their voting on the resolutions relating to the Parent Company Subscription Extension Resolutions.

Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Parent Company Subscription Extension Resolutions.

A circular containing, among other things, (i) further details of the Extension Resolutions and the proposed AOA Consequential Amendments; (ii) the letter of advice from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Parent Company Subscription Extension Resolutions; (iii) the letter from the Independent Board Committee to the Independent Shareholders in relation to the Parent Company Subscription Extension Resolutions; and (iv) the notices of the Extraordinary General Meeting and the Class Meetings will be despatched to the Shareholders on or before 26 August 2022.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

| | |
|---|---|
| “2020 Class Meetings” | the respective class meetings of the Domestic Shareholders and the H Shareholders of the Company held on 18 September 2020 |
| “2020 EGM” | the extraordinary general meeting of the Company held on 18 September 2020 |
| “2020 Parent Company Domestic Shares Subscription Agreement” | the subscription agreement dated 24 July 2020 entered into between the Company and the Parent Company in relation to the Parent Company Subscription |
| “2021 Class Meetings” | the respective class meetings of the Domestic Shareholders and the H Shareholders of the Company held on 8 October 2021 |
| “2021 EGM” | the extraordinary general meeting of the Company held on 8 October 2021 |
| “2021 Supplemental Parent Company Domestic Shares Subscription Agreement” | the supplemental agreement dated 21 August 2021 entered into by the Company and Parent Company for the amendments of certain terms and conditions of the 2020 Parent Company Domestic Shares Subscription Agreement |
| “2021 Valuation” | the aggregate appraised asset value of approximately RMB1.52 billion for the Phase I Runway Assets as at 30 June 2021, details of which are set out in the valuation report contained in the circular of the Company dated 21 September 2021 |
| “AOA Consequential Amendments” | the consequential amendments to the Articles of Association as the Board thinks fit to reflect the latest registered capital structure and number of issued Shares of the Company as a result of each of the issuance of the Subscription Shares and the New H Shares |
| “Articles of Association” | the articles of association of the Company, as amended, modified or otherwise supplemented from time to time |
| “Board” | the board of Directors |
| “CAAC” | Civil Aviation Administration of China (中國民用航空局) |

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| “Class Meetings” and each as “Class Meeting” | the respective class meetings of the Domestic Shareholders and the H Shareholders to be convened by the Company immediately following the conclusion of the Extraordinary General Meeting or any adjournment thereof for the purposes of considering and, if thought fit, approving, among other things, the Extension Resolutions and the proposed AOA Consequential Amendments, including any adjournment in respect thereof |
| “Company” | 海南美蘭國際空港股份有限公司 (Hainan Meilan International Airport Company Limited*), a joint stock company incorporated in the PRC with limited liability |
| “connected person(s)” | shall have the meaning as defined in the Listing Rules |
| “CSRC” | China Securities Regulatory Commission (中國證券監督管理委員會) |
| “Date of Relevant Agreement” | the date on which: (a) the subscription agreement(s) in respect of the New H Shares Issue is entered into between the Company and the placee(s); and/or (b) the placing agreement(s) in respect of the New H Shares Issue is entered into between the Company with the placing agent(s) |
| “Director(s)” | the director(s) 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 |
| “Extension Resolutions” | the Parent Company Subscription Extension Resolutions and the New H Shares Issue Extension Resolutions |
| “Extraordinary General Meeting” | the Extraordinary General Meeting to be convened by the Company for the purposes of considering and, if thought fit, approving, among other things, the Extension Resolutions and the proposed AOA Consequential Amendments, including any adjournment in respect thereof |
| “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 |

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| “H Shareholder(s)” | holder(s) of H Shares |
| “HK\$” or “HK dollars” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of 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 the Parent Company Subscription Extension Resolutions |
| “Independent Financial Adviser” or “Octal Capital” | Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Parent Company Subscription Extension Resolutions |
| “Independent Shareholders” | Shareholders who do not have any material interests and are not required to abstain from voting at the Extraordinary General Meeting and the Class Meetings pursuant to the Listing Rules |
| “Listing Committee” | the listing committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “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 |
| “New H Shares” | the maximum number of 155,000,000 H Shares proposed to be issued upon the exercise of the Specific Mandate |
| “New H Shares Issue” | the issuance of the New H Shares by way of private placing upon the exercise of the Specific Mandate, if granted, subject to fulfilment of certain conditions stated in this announcement |
| “New H Shares Issue Extension Resolutions” | the proposed resolutions (i) to extend the validity period of the Specific Mandate in relation to the New H Shares Issue and (ii) to authorize the Board and the persons delegated by the Board to deal with and complete the New H Shares Issue within a term of twelve (12) months, commencing from 18 September 2022 and ending on 17 September 2023 |

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| “Parent Company” | 海口美蘭國際機場有限責任公司 (Haikou Meilan International Airport Co., Ltd.*), a limited liability company established in the PRC and the controlling shareholder of the Company |
| “Parent Company Domestic Shares Subscription Agreements” | 2020 Parent Company Domestic Shares Subscription Agreement and the 2021 Supplemental Parent Company Domestic Shares Subscription Agreement |
| “Parent Company Subscription” | the subscription of the Subscription Shares by the Parent Company contemplated under the Parent Company Domestic Shares Subscription Agreements |
| “Parent Company Subscription Extension Resolutions” | The proposed resolutions (i) to extend the validity period of the resolutions in relation to the Parent Company Subscription and (ii) to authorize the Board and the persons delegated by the Board to deal with and complete the Parent Company Subscription within a term of twelve (12) months, commencing from 18 September 2022 and ending on 17 September 2023, including the grant of authorization to the Board and the persons delegated by the Board to determine the final consideration if there is no material difference in valuation (i.e. within a difference not more than 1% between the 2021 Valuation and any new valuation) and sign supplemental agreement (if necessary) in relation to the Parent Company Subscription |
| “Past New H Shares Subscription Agreement” | the Subscription Agreement as defined in the announcement of the Company dated 30 September 2019 |
| “Phase I Runway Assets” | the Phase I runway of Meilan Airport and other auxiliary facilities as more particularly described in the 2020 Parent Company Domestic Shares Subscription Agreement |
| “PRC” | the People’s Republic of China and for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| “RMB” or “Renminbi” | Renminbi yuan, the lawful currency of the PRC |
| “SFC” | Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| “Shareholder(s)” | the Domestic Shareholders and the H Shareholders |

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| “Shares” | Domestic Shares and H Shares |
| “Specific Mandate” | the specific mandate granted to the Board by the Shareholders to issue not more than 155,000,000 New H Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Shares” | the maximum number of 140,741,000 new Domestic Shares proposed to be subscribed by the Parent Company pursuant to the Parent Company Domestic Shares Subscription Agreements |
| “%” | Per cent |

By order of the Board
Hainan Meilan International Airport Company Limited*
Wang Hong
Chairman and President

Hainan, the PRC
8 August 2022

For the purpose of this announcement, the exchange rate of HK\$1.00 = RMB0.8524 has been used for currency translation, where applicable. Such exchange rate is for illustrative purpose only and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such a rate.

As at the date of this announcement, the Board comprises of (i) four executive Directors, namely Mr. Wang Hong, Mr. Wang Zhen, Mr. Yu Yan and Mr. Xing Zhoujin; (ii) three non-executive Directors, namely Mr. Qiu Guoliang, Mr. Li Zhiguo and Mr. Wu Jian; and (iii) four independent non-executive Directors, namely Mr. Fung Ching, Simon, Mr. Deng Tianlin, Mr. George F Meng and Mr. Ye Zheng.

* *For identification purposes only*