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瑞港國際機場集團股份有限公司
Regal International Airport Group Company Limited*

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

(Stock Code: 357)

**PLACING OF NEW H SHARES UNDER
THE SPECIFIC MANDATE**

PROPOSED SUBSCRIPTION OF H SHARES

The Board is pleased to announce that on 29 September 2019, the Company and the Investor entered into the Subscription Agreement, pursuant to which the Investor conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price of HK\$4.69 per Subscription Share.

The Subscription Shares (being 200,000,000 New H Shares) will be allotted and issued by the Company under the Specific Mandate. The Subscription Shares represent approximately 88.14% and 42.26% of the total issued H Shares and the total issued Shares as at the date of this announcement, respectively, and approximately 46.85% of the total issued H Shares and 22.84% of the total issued Shares as enlarged by the Subscription and the Parent Company Subscription.

GENERAL

The EGM and Class Meetings will be convened on the same date for the Shareholders to consider and, if thought fit, to approve, among other things: (a) the New H Shares Issue Extension Resolutions; and (b) the Subscription Agreement and the transactions contemplated thereunder. A circular containing, amongst other things, (i) further information on the New H Shares Issue Extension Resolutions; (ii) further information on the Subscription Agreement; (iii) notices of the EGM and the Class Meetings and a form of proxy will be dispatched to the Shareholders; and (iv) other information as required under the Listing Rules will be despatched to the Shareholder on or before 17 October 2019 in order to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

As Completion is subject to the fulfilment and/or waiver (as the case may be) of the Conditions, the Subscription may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company.

* For identification purpose only

INTRODUCTION

References are 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, among other things, the New H Shares Issue, and the circular of the Company dated 6 March 2018, the poll results announcement of the Company dated 20 March 2018, the circular of the Company dated 18 April 2019 and the poll results announcement of the Company dated 3 June 2019 and the announcement of the Company dated 24 September 2019 in relation to, among other things, the extension of validity period of Shareholders' resolutions and authorisation granted to the Board in relation to the New H Shares Issue.

The Board is pleased to announce that on 29 September 2019, the Company and the Investor entered into the Subscription Agreement, pursuant to which the Investor conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price of HK\$4.69 per Subscription Share.

THE SUBSCRIPTION AGREEMENT

Set out below are the salient terms of the Subscription Agreement:

Date: 29 September 2019

Parties: (1) The Company as issuer
(2) The Investor as subscriber

Number of Subscription Shares

At Completion, the Subscription Shares (being 200,000,000 New H Shares) will be allotted and issued by the Company to the Investor under the Specific Mandate. The Subscription Shares represent approximately 88.14% and 42.26% of the total issued H Shares and the total issued Shares as at the date of this announcement, respectively, and approximately 46.85% of the total issued H Shares and 22.84% of the total issued Shares immediately after Completion as enlarged by the Subscription and the Parent Company Subscription. The aggregate nominal value of the Subscription Shares, upon their issuance, will be RMB200,000,000.

Subscription Price

The Subscription Price of HK\$4.69 per Subscription Share:

- (i) represents a discount of approximately 8.4% to the closing price of HK\$5.12 per H Share as quoted on the Stock Exchange on 27 September 2019, being the last trading day prior to the date of the Subscription Agreement;
- (ii) represents a discount of approximately 8.5% to the average closing price of HK\$5.128 per H Share as quoted on the Stock Exchange for the last five (5) trading days prior to the date of the Subscription Agreement;
- (iii) represent a discount of approximately 9.9% to the average closing price of HK\$5.208 per H Share as quoted on the Stock Exchange for the last ten (10) trading days prior to the date of the Subscription Agreement; and
- (iv) represents a discount of approximately 7.6% to the average closing price of HK\$5.078 per H Share as quoted on the Stock Exchange for the last twenty (20) trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Investor which has taken into account, among other factors, recent market prices of the H Shares and the current market conditions.

Specific Mandate

As disclosed in the circular of the Company dated 18 April 2019 in respect of the annual general meeting of the Company and the poll results announcement of the Company dated 3 June 2019, the proposed extension of the validity period of the Specific Mandate to 25 September 2019 was approved by the Shareholders at the annual general meeting of the Company held on 3 June 2019.

As disclosed in the announcement of the Company dated 24 September 2019, the Company intends to seek Shareholders' approval to further extend the validity period of the Specific Mandate and the authorisation to the Board to deal with and complete the New H Shares Issue granted on 26 June 2017 (as extended from time to time thereafter) for a further period of nine (9) months, i.e. from 26 September 2019 to 25 June 2020 by way of the New H Shares Issue Extension Resolutions. Subject to the approval of the Shareholders of the New H Shares Issue Extension Resolutions, the Subscription Shares will be allotted and issued pursuant to the Specific Mandate.

The maximum number of Shares that can be issued by the Company under the Specific Mandate is 200,000,000 New H Shares, being approximately 42.26% total issued Shares as at the date of the Specific Mandate. As of the date of this announcement, no Shares have been allotted and issued under the Specific Mandate. Upon the allotment and issuance by the Company of all the Subscription Shares to the Investor at Completion, the Specific Mandate will be utilised in full.

Board composition

Upon Completion:

- (i) the Board shall comprise 11 Directors, with no less than 4 independent non-executive Directors; and
- (ii) the Strategic Committee shall comprise 5 members, with no less than 3 members being independent non-executive Directors.

Right to nominate Investor Directors

Pursuant to the Subscription Agreement, from Completion, the Investor shall be entitled to, at its sole discretion, nominate Investor Directors as follows:

- (i) if and for as long as the Investor holds 15% or more of the total issued Shares, the Investor shall be entitled to, at its sole discretion nominate up to three (3) persons for election and approval by the Shareholders at a general meeting of the Company to be appointed as Investor Directors, and to remove or replace any such person(s) as Investor Director(s) from time to time; and
- (ii) if and for as long as the Investor holds 10% or more but less than 15% of the total issued Shares, the Investor shall be entitled to, at its sole discretion nominate up to two (2) persons for election and approval by the Shareholders at a general meeting of the Company to be appointed as Investor Directors, and to remove or replace any such person(s) as Investor Director(s) from time to time.

Pursuant to the Subscription Agreement, the Board shall appoint one (1) of the Investor Directors to be a Strategic Committee Member.

In relation to the nomination and appointment of the Investor Directors and an Investor Director as a Strategic Committee Member, pursuant to the Shareholders Agreement, the Parent Company further undertakes to the Investor that within three (3) months after Completion:

- (i) the Company shall convene a Board meeting as soon as possible and propose all relevant resolutions to the Board to nominate the Investor Directors, and all the Parent Company Directors shall attend such Board meeting and vote in favour of each such resolutions (unless their fiduciary duties to the Company prevents them from doing so);
- (ii) the Company shall convene a general meeting (and each requisite class meetings of the relevant class meetings of Domestic Shares and H Shares, if applicable) and request the Shareholders to approve the nomination and appointment of the Investor Directors; and
- (iii) the Company shall convene a Board meeting on the same day the general meeting referred to in sub-paragraph (ii) above and propose a resolution to the Board to elect the Investor Director selected by the Investor as a Strategic Committee Member, and all the Parent Company Directors shall attend such Board meeting and vote in favour of such resolution (unless their fiduciary duties to the Company prevents them from doing so).

From and after Completion, pursuant to the terms of the Shareholders Agreement, the Parent Company shall exercise its voting rights and other powers as a Shareholder, and shall procure each Parent Company Director to exercise its voting rights and other powers as a Director, to give effect to the proposed appointment of each person nominated by the Investor (pursuant to its rights as described in the section under “Right to nominate Investor Directors” above) as an Investor Director and (if applicable) as a Strategic Committee Member, and to remove or replace any such person from time to time.

The right of the Investor to nominate any person to be appointed as an Investor Director shall cease if the Investor holds less than 10% of the total issued Shares at any time after Completion and the Investor shall, at that time, procure any Investor Director who was nominated by the Investor to resign.

Right to nominate CCO and Deputy CFO

Pursuant to the Subscription Agreement, from Completion and for as long as the Investor holds 10% or more of the total issued Shares, the Investor shall be entitled to, at its sole discretion:

- (i) nominate any one (1) person to be approved by the Board and appointed by the Company as the CCO, and to remove or replace any such person(s) from time to time; and

- (ii) nominate any one (1) person to be approved by the Board and appointed by the Company as the Deputy CFO, and to remove or replace any such person(s) from time to time,

and the Company shall, pursuant to the terms of the Subscription Agreement, procure the appointment of each initial person nominated by the Investor as CCO and Deputy CFO respectively with effect from Completion.

Pre-emption right

After Completion, so long as the Investor holds 10% or more of the total issued Shares, if the Company proposes to issue any new Equity Securities, the Investor shall have the right to, on a pre-emptive and pro-rata basis, subscribe for some or all of its pro rata share of the Equity Securities which the Company proposes to issue pursuant to such New Equity Issue in accordance with the terms and conditions of the Subscription Agreement. The exercise of such pre-emption right by the Investor shall be subject to (if applicable) the approval of the relevant transaction by the Shareholders at a general meeting and the relevant class meetings of Domestic Shares and H Shares (as applicable) pursuant to Listing Rule 14A.36 or any variation or replacement thereof (if required under the Listing Rules).

Conditions of Subscription

Completion will be conditional upon the following Conditions having been satisfied or waived on or before the Long Stop Date:

- (1) all and any necessary regulatory license, permit, consent, authorisation, permission or clearance (including but not limited to approvals from, if required and as appropriate, the CSRC and CAAC) for the Company to enter into the Subscription Agreement and performing its obligations thereunder have been obtained, and all necessary filings, registrations and/or notifications with or to the relevant authorities (if any) in connection with the Subscription having been made, and such filings, registrations and/or notifications remaining valid and effective;
- (2) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares in the terms of the Subscription Agreement (with or without conditions customary to transactions of similar nature);
- (3) on the date of Completion, the H Shares remaining listed and traded on the Main Board of the Stock Exchange, and there being no trading halt, suspension or limitation of trading in any of the H Shares listed on the Stock Exchange;

- (4) there not having occurred, at any time on and from the date of the Subscription Agreement until Completion, any breach by the Company of any provisions of the Subscription Agreement, except for such breaches as notified by the Company to the Investor in writing and as expressly waived its rights by the Investor in writing;
- (5) there being no action or investigation taken or initiated by any Authority to restrain, prohibit, challenge or otherwise enquire the terms of the Subscription, the Subscription Agreement or the Parent Company Domestic Shares Subscription Agreements (or, if there are such action or investigation, such action and/or investigation being resolved in full);
- (6) completion of the Parent Company Subscription (including completion of the transfer of the Phase I Runway Assets by the Parent Company to the Company) occurring in accordance with the terms of the Parent Company Domestic Shares Subscription Agreements on the date of Completion;
- (7) the Parent Company Domestic Shares Subscription Agreements becoming effective and there has been no breach by the Parent Company under any of the Parent Company Domestic Shares Subscription Agreements;
- (8) there being no material breach of any of the warranties as given by the Company in the Subscription Agreement on the date of the Subscription Agreement and on the date of Completion (except for as waived by the Investor in writing); and
- (9) from the date of the Subscription Agreement until and on the date of Completion there being no Material Adverse Change to the Parent Company, the Company or the Group.

If any of such Conditions shall not have been fulfilled or waived by the Company and the Investor on or before the Long Stop Date, the Subscription Agreement shall automatically terminate with immediate effect, except for the provisions of the Subscription Agreement which are stipulated to survive the termination of the Subscription Agreement.

Completion

Completion shall take place on the 10th Business Day after the day on which the last of the Conditions is fulfilled or waived (or such later date as the Parties may agree in writing).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Meilan Airport, being the only airport situated in Haikou City, which is a strategic city under the “One Belt, One Road” (一帶一路) initiative, is well positioned to capture opportunities in connection with the implementation of the “One Belt, One Road” initiative. The Directors are of the view that the proposed Subscription represents an opportunity to raise capital for the Company while broadening the capital base of the Company, strengthen the Company’s financial risk resilience, enhance the Company’s solvency, and expand the Company’s financial base. As such, the Company wishes to take advantage of the relatively low cost to raise additional funds through the issue of the Subscription Shares to the Investor to replenish its working capital to equip the Group to take on expansion projects and to fund any operational needs of existing direct wholly-owned subsidiaries of the Company (including the repayment of debts).

The Subscription will bring in a highly reputable and long term strategic investor, HOPU Investments, with extensive resources and expertise, who can add significant value to the Company and the development of the Meilan Airport. The following is a summary of the reasons, benefits, and strategic merits of HOPU Investments in the Subscription:

- (i) HOPU Investments will support the Company in enhancing its corporate governance, capital markets, strategic planning, investor relations and management initiatives;
- (ii) HOPU Investments will add value to the Company through its strong relationships with various financial institutions, extensive experience and strong network of financing resources across the capital structure to support the Company in its ongoing expansion projects and development objectives;
- (iii) HOPU Investments will have the right to appoint the CCO and Deputy CFO, which will provide additional resources and support to the Company to capture the significant opportunities from the phase II expansion of Meilan Airport, as well as enhancing financial discipline and control; and
- (iv) HOPU Investments has invested in a series of complementary airport-related investments, including companies in the logistics, car parking, technology, and financial services sectors, with which the Company can benefit through greater cooperation.

The Directors considers that the Subscription Agreement is entered into after arm length negotiations between the Company and the Investor on normal commercial terms, and the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable, and are in the interest of the Company and the Shareholders.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Solely for illustration purposes, assuming that: (i) the Subscription is approved by the Shareholders at the forthcoming EGM and Class Meetings; (ii) the Board exercises the Specific Mandate in full; (iii) all Conditions for the Subscription have been satisfied; (iv) at Completion, the maximum of 200,000,000 New H Shares are issued by the Company to the Investor pursuant to the Specific Mandate; and (v) the Parent Company completes the subscription of the Subscription Shares I pursuant to the Parent Company Subscription which shall be completed on the same day as the Completion, the resulting changes in the issued share capital and shareholding structure of the Company will be as follows (assuming that there is no change in the shareholding structure and in the issued share capital of the Company after the date of this announcement and before the Completion):

Class of Shares	As at the date of this announcement		Immediately after the issuance of the Subscription Shares and the Subscription Shares I	
	No. of Shares	Percentage of total issued Shares (%)	No. of Shares (maximum)	Percentage of total issued Shares (%)
Domestic Shares				
Parent Company	237,500,000	50.19	439,987,125	50.24
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	0.60
HNA Group Co., Ltd.* (海航集團有限公司)	3,512,500	0.74	3,512,500	0.40
H Shares				
H Shares in issue				
Soaring Eagle Industrial Limited ¹	50,920,650	10.76	50,920,650	5.82
Other public Shareholders	175,992,350	37.19	175,992,350	20.10
Public (in total)	226,913,000	47.95	226,913,000	25.92
Investor	0	0	200,000,000	22.84
Total Number of Issued Shares	<u>473,213,000</u>	<u>100</u>	<u>875,700,125</u>	<u>100</u>

Note 1: According to the disclosure of interest on the website of the Stock Exchange, Oriental Patron Resources Investment Ltd. previously held 94,343,000 H shares of the Company and agreed to transfer 50,920,650 H shares to Soaring Eagle Industrial Limited. Upon completion of such transfer, Oriental Patron Resources Investment Ltd. will hold 42,647,350 H shares of the Company and will become one of the public Shareholders of the Company.

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

USE OF PROCEEDS

The gross proceeds from the Subscription will be approximately HK\$938 million and the net proceeds (after deducting all applicable costs and expenses) will be approximately HK\$933 million. On such basis, the net price per Subscription Share will be approximately HK\$4.67.

Reference is made to the announcement of the Company dated 24 September 2019. As disclosed in the said announcement, the net proceeds from the Parent Company Subscription and the proposed New H Shares Issue, after deducting relevant expenses, are expected to be used as follows: (i) approximately 29% shall be used for expansions, upgrades, improvements and maintenance of existing terminal buildings and other areas of Meilan Airport; (ii) approximately 33% shall be used for introducing innovative technology and upgrading Meilan Airport to a “smart airport”; (iii) approximately 29% shall be used for acquisition of staff quarters and other associated facilities; and (iv) approximately 9% shall be used to replenish the working capital of the Company.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

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

APPLICATION FOR LISTING

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

INFORMATION OF THE COMPANY AND THE GROUP

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.

INFORMATION OF THE INVESTOR

The Investor is a company incorporated in the Cayman Islands and is principally engaged in investment holding. It is wholly owned by Aero Infrastructure Fund L.P., whose general partner is Aero Infrastructure Fund GP Limited, an affiliate of HOPU Investments. The limited partners of Aero Infrastructure Fund L.P., include affiliates of each of HOPU Investments, GIC, and other international, reputable, blue-chip, institutional investor(s) with extensive experiences and resources in investing in the private equity and infrastructure sector.

HOPU Investments is a leading Asian alternative asset management firm with principal offices across Asia in Beijing, Hong Kong, Singapore, and Shenzhen. HOPU Investments specializes in finding, creating, and executing on proprietary investment opportunities by leveraging its unique network, operational value-add, in-depth fundamental analysis, and execution expertise. HOPU Investments' key industry focuses include infrastructure, consumer, technology, healthcare, financial services, logistics, and real estate.

To the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, the Investor and its beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and are independent of the Company or any connected person of the Company.

GENERAL

The EGM and the Class Meetings will be convened on the same date for the Shareholders to consider and, if thought fit, to approve among other things: (a) the New H Shares Issue Extension Resolutions; and (b) the Subscription Agreement and the transactions contemplated thereunder. Voting at the EGM and the Class Meetings will be conducted by poll. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting at the EGM and the Class Meetings in respect of the Subscription Agreement and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further information on the New H Shares Issue Extension Resolutions; (ii) further information on the Subscription Agreement; (iii) notice of the EGM and a form of proxy will be dispatched to the Shareholders; and (iv) other disclosures required under the Listing Rules will be despatched to the Shareholder on or before 17 October 2019 in order to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

As Completion is subject to the fulfilment and/or waiver (as the case may be) of the Conditions, the Subscription may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company.

DEFINITION

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

“2017 Supplemental Parent Company Domestic Shares Subscription Agreement”	the supplemental agreement dated 27 April 2017 entered into between the Company and the Parent Company in relation to the Parent Company Subscription
“2018 Supplemental Parent Company Domestic Shares Subscription Agreement”	the supplemental agreement dated 21 December 2018 entered into between the Company and the Parent Company in relation to the Parent Company Subscription
“Authority”	shall mean any national, supranational, regional or local government or governmental, administrative, fiscal, judicial or government-owned body, department, commission, authority, tribunal, agency or entity, or regulator (or any person, whether or not government owned and howsoever constituted or called, that exercises the functions of a regulator)
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“CAAC”	Civil Aviation Administration of China (中國民用航空局)
“CCO”	the Chief Commercial Officer and vice president of commercial operations of the Company, whose role and responsibilities include overseeing the commercial operations of the Group
“Company”	瑞港國際機場集團股份有限公司 (Regal International Airport Group Company Limited*), a joint stock company incorporated in the PRC with limited liability
“Completion”	the completion of the Subscription pursuant to and in accordance with the terms and conditions of the Subscription Agreement
“Conditions”	conditions precedent to the Subscription Agreement as set out in the paragraph headed “Conditions precedent” in this announcement

“connected person(s)”	shall have the meaning as defined in the Listing Rules
“Class Meetings” and each a “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 EGM or any adjournment thereof for the purposes of considering and, if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including any adjournment in respect thereof
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Deputy CFO”	the deputy chief financial officer of the Company, whose role and responsibilities are set out in the Subscription Agreement and include assisting the chief financial officer of the Group in the management of the relevant finance departments of the Group
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	the domestic shares with a nominal value of RMB1.00 each in the registered share capital of the Company, which is/are subscribed for and traded in RMB
“Domestic Shareholder(s)”	holders of Domestic Shares
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purposes of approving, among other things, the Subscription Agreement and the transactions contemplated thereunder
“Equity Securities”	means Shares, any securities which by their terms are convertible into or exchangeable for Shares, or any option or securities which confer on the holder the right to call for an issue of, or to receive, Shares or securities which are by their terms convertible into or exchangeable or exercisable for Shares, or any other type of equity or ownership interest in the Company
“Group”	the Company and its subsidiaries and the expression “Member of the Group” means any one of them

“H Shareholder(s)”	holder(s) of H Shares
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investor”	Aero Infrastructure Holding Company Limited, a company incorporated with limited liability under the laws of the Cayman Islands
“Investor Directors”	persons nominated by the Investor for election by the Shareholders at a general meeting of the Company as non-executive Directors on the Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the earlier of (i) 25 June 2020; and (ii) the expiry date of the Specific Mandate as extended by the New H Shares Issue Extension Resolutions (provided that in any event such date shall be no earlier than 31 March 2020), or such later date as the Parties may agree
“Material Adverse Change”	(i) in respect of the Company or the Group, any change, effect, event, occurrence, state of fact or development has had, that will or may be expected to have a material adverse effect on (a) the business, operations, condition, prospects, properties, liabilities (including contingent liabilities), financial position or earnings of the Group (b) the consummation of the transactions contemplated by the Subscription Agreement in accordance with its terms, such that such transactions cannot be completed, or (c) the enforceability of this the Subscription Agreement against the Company or the Group; and

- (ii) in respect of the Parent Company, any change, effect, event, occurrence, state of fact or development has had, will or may be expected to have a material adverse effect on (a) the ability of the Parent Company in performing its obligations under the Parent Company Domestic Shares Subscription Agreements in accordance with their terms, or (b) the enforceability of the Parent Company Domestic Shares Subscription Agreements against 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
“New Equity Issue”	any issue of new Equity Securities by the Company after Completion (save in the case of the grant of any share option by the Company pursuant to the share option scheme as may be adopted by the Company (if any), or any issue by the Company of new Shares pursuant to the exercise of any such share option)
“New H Shares”	the maximum of new 200,000,000 H Shares proposed to be issued upon the exercise of the Specific Mandate
“New H Shares Issue”	the entering into the subscription agreement(s) with the placee(s) and/or the entering into the placing agreement(s) with the placing agent(s) in relation to the issue of the maximum number of 200,000,000 H Shares by way of private placing, subject to fulfilment of certain relevant conditions (including but not limited to the approval from CSRC)
“New H Shares Issue Extension Resolutions”	the proposed resolutions (i) to extend the validity period of the Specific Mandate 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 nine (9) months, from 26 September 2019 to 25 June 2020
“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 Director(s)”	Director(s) that have been nominated by the Parent Company
“Parent Company Domestic Shares Subscription Agreement”	the domestic shares subscription agreement dated 30 December 2016 entered into between the Company and the Parent Company in relation to the Parent Company Subscription
“Parent Company Domestic Shares Subscription Agreements”	the Parent Company Domestic Shares Subscription Agreement, the 2017 Supplemental Parent Company Domestic Shares Subscription Agreement and the 2018 Supplemental Parent Company Domestic Shares Subscription Agreement
“Parent Company Subscription”	the subscription of the Subscription Shares I contemplated under the Parent Company Domestic Shares Subscription Agreements
“Parties”	the Company and the Investor, being parties to the Subscription Agreement
“Phase I Runway Assets”	the Phase I runway of Meilan Airport and other auxiliary facilities as more particularly described in the Parent Company Domestic Shares Subscription Agreements
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	the Domestic Shareholders and H Shareholders
“Shareholders Agreement”	the shareholders’ agreement dated 29 September 2019 entered into between the Parent Company and the Investor in respect of 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, as extended from time to time thereafter (including but not limited to the extension pursuant to the New H Shares Issue Extension Resolutions)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Strategic Committee”	the strategic committee of the Board
“Strategic Committee Member”	a member of the Strategic Committee
“Subscription”	the issuance by the Company, and the subscription by the Investor, of the Subscription Shares pursuant to and in accordance with the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 29 September 2019 and entered into between the Company and the Investor in respect of the Subscription
“Subscription Price”	the price at which the Subscription Shares are to be allotted and issued by the Company pursuant to the Subscription Agreement
“Subscription Shares”	a total of 200,000,000 New H Shares to be allotted and issued by the Company, and subscribed for by the Investor, pursuant to the Subscription Agreement
“Subscription Shares I”	the new Domestic Shares proposed to be subscribed pursuant to the Parent Company Domestic Shares Subscription Agreements
“%”	per cent.

By order of the Board
Regal International Airport Group Company Limited*
Wang Zhen
Chairman

Haikou, Hainan Province, the PRC

30 September 2019

As at the date of this announcement, the Board comprises (i) five executive directors, namely Mr. Wang Zhen, Mr. Wang Hong, Mr. Wang Hexin, Mr. Yu Yan and Mr. Xing Zhoujin; (ii) two non-executive directors, namely 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