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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)

**CONNECTED TRANSACTIONS
LEASE AGREEMENT;
RESIGNATION OF NON-EXECUTIVE DIRECTORS;
PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS;
PROPOSED RE-ELECTION OF INDEPENDENT
NON-EXECUTIVE DIRECTORS;
RESIGNATION OF AN INDEPENDENT
REPRESENTATIVE SUPERVISOR
AND
PROPOSED APPOINTMENT OF AN INDEPENDENT
REPRESENTATIVE SUPERVISOR**

THE LEASE AGREEMENT

The Board is pleased to announce that on 30 November 2020, the Company and the Parent Company entered into the Lease Agreement, pursuant to which the Parent Company agreed to lease the Leased Assets to the Company for use of providing ground services to flights and passengers or other services within the business scope of the Company for a term of three (3) years commencing on 1 December 2020 and ending on 30 November 2023 (both days inclusive).

* *For identification purpose only*

LISTING RULES IMPLICATIONS

As of the date of this announcement, the Parent Company holds 50.19% of the total issued Shares of the Company and is a substantial shareholder of the Company, and therefore constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with CAS 21 – Leases applicable to the Company, the transactions contemplated under the Lease Agreement will be regarded as acquisitions of right-of-use assets that will constitute one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect the Connected Transactions is more than 0.1% but less than 5%, the Connected Transactions are subject to the announcement, reporting and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

RESIGNATION OF NON-EXECUTIVE DIRECTORS

The Board announces that each of Mr. Chan Nap Kee (陳立基先生) and Mr. Yan Xiang (燕翔先生), due to expiry of the term of office, has tendered his resignation from his position as a non-executive Director with effect from the date of the EGM.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The Board announces that ordinary resolutions will be proposed at the EGM to appoint Mr. Tu Haidong (涂海東先生) and Mr. Yuan Yubao (苑玉寶先生) as non-executive Directors with the effect from the date of the EGM, subject to the Shareholders' approval.

PROPOSED RE-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board announces that ordinary resolutions will be proposed at the EGM to re-elect Mr. Deng Tianlin (鄧天林先生), Mr. Fung Ching, Simon (馮征先生) and Mr. George F Meng (孟繁臣先生) as independent non-executive Directors with effect from the date of the EGM, subject to the Shareholders' approval.

RESIGNATION OF AN INDEPENDENT REPRESENTATIVE SUPERVISOR

The Board announces that Mr. Zhang Shuzheng (張述聖先生), due to expiry of the term of office, has tendered his resignation from his position as an independent representative Supervisor with effect from the date of the EGM.

PROPOSED APPOINTMENT OF AN INDEPENDENT REPRESENTATIVE SUPERVISOR

The Board announces that an ordinary resolution will be proposed at the EGM to appoint Mr. Hu Yunyun (胡運運先生) as an independent representative Supervisor with the effect from the date of the EGM, subject to the Shareholders' approval.

CIRCULAR

A circular containing, among other things, further information regarding (i) the proposed appointment of non-executive Directors; (ii) the proposed re-election of independent non-executive Directors; and (iii) the proposed appointment of an independent representative Supervisor, together with a notice to convene the EGM, will be despatched to the Shareholders as soon as possible.

THE LEASE AGREEMENT

The material terms of the Lease Agreement are set out as follows:

- 1. Date:** 30 November 2020
- 2. Parties:**
 - (i) the Parent Company, as the leaser; and
 - (ii) the Company, as the lessee.
- 3. Term:** The term of the Lease Agreement is commencing on 1 December 2020 and ending on 30 November 2023 (both days inclusive).
- 4. Purpose:** The Leased Assets shall be used only for the purpose of providing ground services to flights and passengers or other services within the business scope of the Company.

5. Subject matter:

the Leased Assets, comprising of:

- (i) the Land Use Right of the Apron with a total area of approximately 108,738 sq.m.;
- (ii) the Structures of the Apron with a total gross floor area of approximately 278,000 sq.m.; and
- (iii) the Equipment, including thirty-three (33) 400HZ medium frequency power supply, thirty-three (33) aircraft ground air conditioning units and relevant supporting equipment and facilities in the domestic terminal corridor bridge of Meilan Airport.

6. Rental and payment:

The annual rental for the Leased Assets payable by the Company to the Parent Company under the Lease Agreement shall be RMB21,602,799 (excluding VAT) in aggregation (including the annual rental for the Land Use Right of RMB4,018,939 (excluding VAT), the annual rental for the Structures of RMB11,083,860 (excluding VAT) and the annual rental for the Equipment of RMB6,500,000 (excluding VAT)), which is determined based on arm's length negotiations between the two parties with reference to (i) the total area of the Land Use Right and the prevailing market rental for the land use rights of airfields located at other domestic airports, i.e. approximately RMB36.96 (excluding VAT) per sq.m. per year; (ii) the net present value of the Structures, which is calculated based on the net present value of cash inflows with reference to the benchmark interest rate of 4.9% for commercial loans with a term of five (5) years or above of the People's Bank of China and the expected useful life of the Structures of approximately thirty (30) years; and (iii) the depreciation of the Equipment.

The Directors confirmed that the annual rental for the Leased Assets agreed between the Company and the Parent Company is fair and reasonable and constitutes a normal commercial term.

Within the first ten (10) business days of each month, the Company and the Parent Company shall check the rental of the previous month, and Parent Company shall provide the invoices to the Company after confirming the amount of rental. The Company shall pay the rental, on a monthly basis, to the Parent Company within ten (10) business days after receipt of the invoices issued by the Parent Company.

7. Right-of-use assets:

In accordance with CAS 21 – Leases, it is estimated that the Company will recognise the right-of-use assets under the Lease Agreement at an aggregate value of approximately RMB60,156,120 (excluding VAT, subject to further adjustments if necessary).

8. Renewal:

The Lease Agreement is renewable for another term of three (3) years (subject to the compliance of relevant requirements under the Listing Rules by the Company) unless either party decides not to renew it and gives at least thirty (30) days prior written notice to the counterparty accordingly. For the avoidance of doubt, the Lease Agreement shall not be renewed without approval from the Board and/or the independent Shareholders, where necessary.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

To satisfy the development needs for aviation business of the Company, the Company and the Parent Company entered into the Lease Agreement, through which, the Company can use the Leased Assets to provide better ground services and other services to the flights and passengers in Meilan Airport and expand its operating area as well as increase its operational efficiency and operating income.

The Directors (including the independent non-executive Directors) are of the view that (i) the terms and conditions of the Lease Agreement and the Connected Transactions contemplated thereunder have been negotiated on an arms' length basis and are on normal commercial terms; (ii) the Connected Transactions will be conducted in the ordinary and usual course of business of the Company; and (iii) the terms of the Connected Transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As of the date of this announcement, the Parent Company holds 50.19% of the total issued Shares of the Company and is a substantial shareholder of the Company, and therefore constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with CAS 21 – Leases applicable to the Company, the transactions contemplated under the Lease Agreement will be regarded as acquisitions of right-of-use assets that will constitute one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect the Connected Transactions is more than 0.1% but less than 5%, the Connected Transactions are subject to the announcement, reporting and annual review requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of Mr. Wang Zhen, Mr. Wang Hong, Mr. Wang Hexin, Mr. Yu Yan and Mr. Xing Zhoujin is interested in the Lease Agreement and the Connected Transactions contemplated thereunder as they are nominated to the Board by the Parent Company, and therefore had abstained from voting on the relevant resolutions of the Board approving the same.

GENERAL INFORMATION

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 in the PRC. As at the date of this announcement, the Parent Company is owned as to 59.54% by certain PRC state-owned or state-controlled enterprises, including Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司) as to 29.98% (directly and indirectly), a company owned by Hainan government, CDB Development Fund Co., Ltd. (國開發基金有限公司) as to 19.92%, a subsidiary of China Development Bank which is controlled by the PRC government, Hainan Airlines Holding Co., Ltd. (海南航空控股股份有限公司) as to 5.77%, China Southern Airlines Co., Ltd. (中國南方航空股份有限公司) as to 2.35% and China National Aviation Fuel Co., Ltd. (中國航空油料有限責任公司) as to 1.52%, a company controlled by State-owned Assets Supervision and Administration Commission. HNA Group Co., Ltd. (海航集團有限公司), a company controlled by Hainan Cihang Charity Foundation (海南省慈航公益基金會), holds 29.50% of equity interest in the Parent Company through its relevant subsidiaries. The remaining 10.96% of equity interest of the Parent Company is held by Hainan Hanghui Agricultural Development Co., Ltd. (海南航輝農業開發有限公司), a company owned by Feng

Chao (馮超) and Wang Yuanyuan (王媛媛). Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司) is the largest shareholder of the Parent Company and is an investment holding company focusing on infrastructure and equity investments in Hainan Province. CDB Development Fund Co., Ltd. (國開發展基金有限公司) is a policy-oriented investment company focusing on investment in national key projects. Hainan Airlines Holding Co., Ltd. (海南航空控股股份有限公司) is a company listed on the Shanghai Stock Exchange (stock code: 600221. SH), principally engaged in air transport business, air tour business and other air transport-related businesses. 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. HNA Group Co., Ltd. (海航集團有限公司) is principally engaged in the air transport business and investment and management of airports, hotels and golf courses. Hainan Cihang Charity Foundation (海南省慈航公益基金會) is a non-public foundation officially registered with the Bureau of Civil Affairs of Hainan (海南省民政廳) in 2010, which is a non-profit charity organization and carries out various charity projects both at home and abroad, including education assistance, poverty relief, earthquake rescue and disaster relief, culture promotion, medical aid, environmental protection, scientific innovation and others. Hainan Hanghui Agricultural Development Co., Ltd. (海南航輝農業開發有限公司) is principally engaged in the agricultural development and investment and operation of ecological and environmental protection projects, landscape gardening projects and water conservancy projects.

RESIGNATION OF NON-EXECUTIVE DIRECTORS

The Board announces that each of Mr. Chan Nap Kee (陳立基先生) (“**Mr. Chan**”) and Mr. Yan Xiang (燕翔先生) (“**Mr. Yan**”), due to expiry of the term of office, has tendered his resignation from his position as a non-executive Director with effect from the date of the EGM.

Each of Mr. Chan and Mr. Yan has confirmed that he has no disagreement with the Board and has no any other matters in relation to his resignation that need to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to each of Mr. Chan and Mr. Yan for his valuable contribution to the Company during his terms of office.

PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Subject to the approval by the Shareholders at the EGM, the Board proposes to appoint each of Mr. Tu Haidong (涂海東先生) (“**Mr. Tu**”) and Mr. Yuan Yubao (苑玉寶先生) (“**Mr. Yuan**”) as a non-executive Director with effect from the date of the EGM.

In order to allow the Shareholders to conduct the vote in respect of the proposed appointment, the biographical details of Mr. Tu and Mr. Yuan are set out below pursuant to the Rule 13.51(2) of the Listing Rules.

The biographical details of Mr. Tu are as follows:

Mr. Tu, aged 42, graduated from Nanjing Audit University (南京審計大學) (formerly known as Nanjing Audit College (南京審計學院)) majoring in audit. He successively served in HNA Group Company Limited (海航集團有限公司) as an auditor of audit and legal affairs office, an auditor of hotel industry, the head of audit, the reform assistant, the manager of audit office, the deputy general manager of audit and legal affairs office, the director of the audit division, the general manager of engineering management department and the general manager of the infrastructure construction department from September 2000 to April 2011. Mr. Tu successively served in HNA Holding Group Co., Ltd. (海航實業控股(集團)有限公司) as the general manager of construction management department, the president assistant and the general manager of the real estate department, in Yangpu Guoxing Construction Co., Ltd. (洋浦國興工程建設有限公司) as the chairman and general manager, in HNA Real Estate Holdings Co., Ltd. (海航地產控股(集團)有限公司) as the chairman and president, and in HNA Infrastructure Holdings Group Co., Ltd. (海航實業控股(集團)有限公司) as the president of the real estate department from December 2012 to December 2013. He also successively served in Hainan International Tourism Island Development and Construction Group Co., Ltd. (海航國際旅遊島開發建設(集團)有限公司) as the president and the general manager of the chief engineering office from December 2013 to March 2014. He served as the vice chief commander of Meilan Airport infrastructure expansion headquarters from October 2014 to March 2016. From March 2016 to July 2019, he successively served as the executive vice chief commander and field chief commander of Meilan Airport phase II expansion headquarters, the vice president, the president and an executive Director of the Company, and the general manager of the Parent Company. Mr. Tu also successively served as the general manager of the supervision and audit department of HNA Group (International) Company Limited (海航集團(國際)有限公司) and the general manager of the discipline inspection and supervision department of HNA Aviation Group Co. Ltd. (海航航空集團有限公司) from August 2018 to November 2019. He has served as the head of the discipline inspection and supervision office of HNA Aviation Group Co. Ltd. (海航航空集團有限公司) since November 2019 and as a director and the vice chairman of the Parent Company since March 2020. Mr. Tu has extensive experience in corporate governance and infrastructure construction management.

Save as disclosed above and as at the date of this announcement, Mr. Tu (i) has not held any other directorships in listed public companies in the last three (3) years; (ii) does not have any relationship with any 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 as defined in Part XV of the SFO. There is no information in relation to the appointment of Mr. Tu as a non-executive Director 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. Tu will be appointed as a non-executive Director for a term of three (3) years commencing on the grant of approval at the EGM and subject to re-election in accordance with the Articles of Association or pursuant to the Listing Rules. Mr. Tu will not receive any director's fee from the Company.

The biographical details of Mr. Yuan are as follows:

Mr. Yuan, aged 43, graduated from Beijing Sport University (北京體育大學) with a bachelor's degree. He successively served in HNA Group Co., Ltd. (海航集團有限公司) as the general secretary in the logistics service room of the office from June 2004 to April 2008, and as the secretary to the chairman of the board in the secretary room of the office from April 2008 to July 2012. Mr. Yuan also served as the general manager of the project department of the infrastructure expansion headquarters of the Company from July 2012 to July 2015. From July 2015 to July 2018, he successively served as the general manager of the venue management department and the assistant to the chief commander of Meilan Airport phase II expansion headquarters. Mr. Yuan has served as the vice chief commander of Meilan Airport phase II expansion headquarters and concurrently served as the vice president of HNA Airport Group Company Limited (海航機場集團有限公司) since November 2018.

Save as disclosed above and as at the date of this announcement, Mr. Yuan (i) has not held any directorships in listed public companies in the last three (3) years; (ii) does not have any relationship with any 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 as defined in Part XV of the SFO. There is no information in relation to the appointment of Mr. Yuan as a non-executive Director 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. Yuan will be appointed as a non-executive Director for a term of three (3) years commencing on the grant of approval at the EGM and subject to re-election in accordance with the Articles of Association or pursuant to the Listing Rules. Mr. Yuan will not receive any director's fee from the Company.

PROPOSED RE-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Subject to the approval by the Shareholders at the EGM, the Board proposes to re-elect each of Mr. Deng Tianlin (鄧天林先生) (“**Mr. Deng**”), Mr. Fung Ching, Simon (馮征先生) (“**Mr. Fung**”) and Mr. George F Meng (孟繁臣先生) (“**Mr. Meng**”) as an independent non-executive Director with effect from the date of the EGM.

In order to allow the Shareholders to conduct the vote in respect of the proposed appointment, the biographical details of Mr. Deng, Mr. Fung and Mr. Meng are set out below pursuant to the Rule 13.51(2) of the Listing Rules.

The biographical details of Mr. Deng are as follows:

Mr. Deng, aged 71, was re-appointed as an independent non-executive Director in October 2017. He also acts as the chairman of the remuneration committee, the chairman of the audit committee and members of the Nomination Committee and strategic committee of the Company. Mr. Deng is a certified public accountant, a senior member of the Chinese Institute of Certified Public Accountants, a senior accountant and was a guest professor of Hainan University (海南大學). Mr. Deng has extensive experience in the field of finance and accounting. He previously served, among others, as the section chief in the personnel division of Hubei Provincial Department of Finance (湖北省財政廳), a deputy director of Fang County Tax Bureau in Hubei Province (湖北省房縣稅務局), the chief of the loan section of the World Bank Group and a deputy director of the Department of Agricultural Tax (農業稅處). Mr. Deng was appointed by the Organization Department of the CPC Central Committee (中共中央組織部) to Hainan Provincial Department of Finance (海南省財政廳) as a director of the accounting department and the secretary general of Hainan Provincial Institute of Certified Public Accountants (海南省註冊會計師協會) in 1990. Mr. Deng had been an independent director of Hainan Airlines Holding Co., Ltd. (海南航空控股股份有限公司), which is listed on the Shanghai Stock Exchange (Stock Code: 600221.SH; HNA B Shares: 900945.SH), from April 2012 to October 2019.

Save as disclosed above and as at the date of this announcement, Mr. Deng (i) has not held any other directorships in listed public companies in the last three (3) years; (ii) does not have any relationship with any 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 as defined in Part XV of the SFO. There is no information in relation to the appointment of Mr. Deng as an independent non-executive Director 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. Deng will be appointed as an independent non-executive Director for a term of three (3) years commencing on the grant of approval at the EGM and subject to re-election in accordance with the Articles of Association or pursuant to the Listing Rules. The remuneration of Mr. Deng as an independent non-executive Director will be determined according to the remuneration policies as approved at the annual general meeting of the Company.

The biographical details of Mr. Fung are as follows:

Mr. Fung, aged 51, was re-appointed as an independent non-executive Director in December 2016. He has also served as the chairman of the strategic committee and members of the audit committee and remuneration committee of the Company. Mr. Fung graduated from the Queensland University of Technology in Australia with a bachelor's degree, majoring in accountancy. Mr. Fung is a Hong Kong resident. He is a fellow member of the CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Fung worked in PricewaterhouseCoopers from 1994 to 2004, and he served as the chief financial officer and secretary to the board of directors of Baoye Group Company Limited (寶業集團股份有限公司), which is listed on the main board of the Stock Exchange (Stock Code: 2355.HK), from 2004 to 2010. Mr. Fung has served in Greentown China Holdings Limited (綠城中國控股有限公司), which is listed on the main board of the Stock Exchange (Stock Code: 3900.HK), as the chief financial officer and company secretary from August 2010 to December 2019. Mr. Fung has over fifteen (15) years of experience in managing finance and accounting functions, mergers and acquisitions, fund raising and investor relations for PRC companies listed in Hong Kong, and has over ten (10) years of experience in auditing, accounting and business advisory with "Big-4" international accounting firms. Mr. Fung is also a non-executive director of Baoye Group Company Limited (寶業集團股份有限公司) currently, and he has served as an independent non-executive director of China Logistics Property Holdings Co., Ltd. (中國物流資產控股有限公司), which is listed on the main board of the Stock Exchange (Stock Code: 1589.HK), since July 2016, and has served as the chief financial officer of Logan Property Holdings Company Limited (龍光地產控股有限公司), which is listed on the main board of the Stock Exchange (Stock Code: 3380.HK), since January 2020.

Save as disclosed above and as at the date of this announcement, Mr. Fung (i) has not held any other directorships in listed public companies in the last three (3) years; (ii) does not have any relationship with any 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 as defined in Part XV of the SFO. There is no information in relation to the appointment of Mr. Fung as an independent non-executive Director 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. Fung will be appointed as an independent non-executive Director for a term of three (3) years commencing on the grant of approval at the EGM and subject to re-election in accordance with the Articles of Association or pursuant to the Listing Rules. The remuneration of Mr. Fung as an independent non-executive Director will be determined according to the remuneration policies as approved at the annual general meeting of the Company.

The biographical details of Mr. Meng are as follows:

Mr. George F Meng, aged 76, was re-appointed as an independent non-executive Director in December 2016. He has also served as a member of the audit committee of the Company. Mr. Meng graduated from Civil Aviation University of China (中國民航學院) in 1966, majoring in radio communication and English language. In 1972, he entered into Tianjin Foreign Studies University (天津外國語大學) for further study in English language. From 1984 to 1991, he studied the FAA Aircraft Dispatcher Training Courses in Aviation Training School, Long Island, New York, the United States, the Advanced Training in Aviation Course with Ansett Airlines, and MBA course at Oklahoma City University. From 1966 to 1988, Mr. Meng served various positions including the radio station master of communication department of CAAC Chengdu Administration (中國民航成都管理局), the dean of the technical English department of Civil Aviation University of China (中國民航學院), and the deputy director of CAAC Training Center (中國民航訓練中心). Since 1991, he has been a director and the general manager of China Resource Ltd., USA (中國物產有限公司(美國)). Since 2000, Mr. Meng has been the president of Soaring Eagle Industrial LLC., USA (美國飛鷹工業公司). Since September 2010, he has been the principal of Northern New Jersey Huaxia Chinese School (美國華夏中文學校北部分校) (non-profit organization). He has served as the general manager (United States) and certified senior translator of Hua Ling Consultant Inc. (華玲諮詢公司) in Toronto, Canada, since January 2012.

Save as disclosed above and as at the date of this announcement, Mr. Meng (i) has not held any directorships in listed public companies in the last three (3) years; (ii) does not have any relationship with any 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 as defined in Part XV of the SFO. There is no information in relation to the appointment of Mr. Meng as an independent non-executive Director 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. Meng will be appointed as an independent non-executive Director for a term of three (3) years commencing on the grant of approval at the EGM and subject to re-election in accordance with the Articles of Association or pursuant to the Listing Rules. The remuneration of Mr. Meng as an independent non-executive Director will be determined according to the remuneration policies as approved at the annual general meeting of the Company.

According to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, if an independent non-executive director serves more than nine (9) years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Fung has served as an independent non-executive Director for more than sixteen (16) years, and Mr. Meng has served as an independent non-executive Director for more than thirteen (13) years. The Company has received from each of Mr. Fung and Mr. Meng a confirmation of independence according to Rule 3.13 of the Listing Rules. Each of Mr. Fung and Mr. Meng has not engaged in any executive management of the Group. Taking into consideration of their independent scope of work in the past years, the Board considers Mr. Fung and Mr. Meng to be independent under the Listing Rules and are not in any relationships or circumstances which would interfere with the exercise of their independent judgment despite the fact that they have served the Company for more than nine (9) years. The Board has benefited greatly from the presence of Mr. Fung and Mr. Meng who have contributed valuable insight into the Group over time and the Board believes that Mr. Fung and Mr. Meng's continued tenure will bring considerable stability to the Board. Separate resolutions will be proposed for their respective re-election at the EGM.

The nomination of each of Mr. Deng, Mr. Fung and Mr. Meng for re-election as an independent non-executive Director has been considered and approved by the Nomination Committee and the Board. In approving such nominations, the Nomination Committee has considered the past performance of Mr. Deng, Mr. Fung and Mr. Meng, the independence confirmation they have furnished to the Company pursuant to Rule 3.13 of the Listing Rules and their skills, knowledge and experience. Each of Mr. Deng, Mr. Fung and Mr. Meng is familiar with the Company's business and has proved their ability to provide independent, fair and objective opinions on the affairs of the Company. The Nomination Committee is of the view that Mr. Deng, Mr. Fung and Mr. Meng will continue to bring to the Board their own perspective, skills and experience, as described in their biographical details set out above. Based on the board diversity policy adopted by the Company, the Nomination Committee considers that Mr. Deng, Mr. Fung and Mr. Meng can contribute to the diversity of the Board in various aspects, including culture, knowledge, educational background, experience and skills. In particular, for Mr. Deng, the Nomination Committee has considered his professional knowledge in finance and accounting, for Mr. Fung, the Nomination Committee has considered his rich experience in finance and accounting, mergers and acquisitions, fund raising and investor relations, and for Mr. Meng, the Nomination Committee has considered his professional skills in management. None of them holds seven or more listed company directorship, thus they can give sufficient time and attention to the Company's affairs.

Based on the above, the Board considers each of Mr. Deng, Mr. Fung and Mr. Meng to be independent under the Listing Rules, and with the recommendation of the Nomination Committee, has nominated each of Mr. Deng, Mr. Fung and Mr. Meng for re-election as an independent non-executive Director at the EGM.

RESIGNATION OF AN INDEPENDENT REPRESENTATIVE SUPERVISOR

The Board announces that Mr. Zhang Shuzheng (張述聖先生) (“**Mr. Zhang**”), due to expiry of the term of office, has tendered his resignation from his position as an independent representative Supervisor with effect from the date of the EGM.

Mr. Zhang has confirmed that he has no disagreement with the Board and/or the supervisory committee of the Company and has no any other matters in relation to his resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to take this opportunity to express its gratitude to Mr. Zhang for his valuable contribution to the Company during his term of office.

PROPOSED APPOINTMENT OF AN INDEPENDENT REPRESENTATIVE SUPERVISOR

Subject to the approval by the Shareholders at the EGM, the Board proposes to appoint Mr. Hu Yunyun (胡運運先生) (“**Mr. Hu**”) as an independent representative Supervisor with effect from the date of the EGM.

In order to allow the Shareholders to conduct the vote in respect of the proposed appointment, the biographical details of Mr. Hu are set out below pursuant to the Rule 13.51(2) of the Listing Rules.

Mr. Hu, aged 33, obtained a bachelor’s degree from Nanjing Audit University (南京審計大學) (formerly known as Nanjing Audit College (南京審計學院)), majoring in auditing. He successively served in HNA Group North Headquarters (Tianjin) Co., Ltd. (海航集團北方總部(天津)有限公司) as a personnel administrator, a labor relations and community administrator and an administrative assistant in the comprehensive management department from October 2010 to August 2011. Mr. Hu served as an auditor of the audit room of the compliance department of HNA Commercial Holdings Co., Ltd. (海航商業控股有限公司) from August 2011 to October 2011. He also successively held several positions in HNA Holding Group Co., Ltd. (海航實業集團有限公司), as the audit head and then the senior audit manager of the compliance and audit department from October 2011 to November 2012, and as the senior auditor of the audit practice center of the compliance management department from January 2014 to May 2015. He served as the audit manager of the audit and legal department of HNA Infrastructure Holdings (Group) Co., Ltd. (海航實業控股(集團)有限公司) from November 2012 to January 2014. From May 2015 to December 2016, Mr. Hu served as the manager of the airport compliance and audit center of HNA Infrastructure Industry Group Limited (海航基礎產業集團有限公司). From December 2016 to June 2018, he served as the deputy general manager of the risk control department of HNA Airport Group Company Limited (海航機場集團有限公司). Mr. Hu also served as the deputy general manager of the risk control department of the Company from June 2018 to November 2018. He has served as the deputy general manager of the compliance and legal department of HNA Airport Group Company Limited (海航機場集團有限公司) since November 2018.

Save as disclosed above and as at the date of this announcement, Mr. Hu (i) has not held any directorships in listed public companies in the last three (3) years; (ii) does not have any relationship with any 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 as defined in Part XV of the SFO. There is no information in relation to the appointment of Mr. Hu as an independent representative Supervisor 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 an independent representative Supervisor for a term of three (3) years commencing on the grant of approval at the EGM and subject to re-election in accordance with the Articles of Association or pursuant to the Listing Rules. Mr. Hu will not receive any supervisor's remuneration from the Company.

CIRCULAR

A circular containing, among other things, further information regarding (i) the proposed appointment of non-executive Directors; (ii) the proposed re-election of independent non-executive Directors; and (iii) the proposed appointment of an independent representative Supervisor, together with a notice to convene the EGM, will be despatched to the Shareholders as soon as possible.

DEFINITIONS

“Apron”	the west boarding apron of Meilan Airport
“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
“CAS”	China Accounting Standards for Business Enterprises
“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 Transactions”	the connected transactions contemplated under the Lease Agreement
“Director(s)”	the director(s) of the Company

“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 proposed appointment of non-executive Directors; (ii) the proposed re-election of independent non-executive Directors; and (iii) the proposed appointment of an independent representative Supervisor
“Equipment”	the equipment owned by the Parent Company, including thirty-three (33) 400HZ medium frequency power supply, thirty-three (33) aircraft ground air conditioning units and relevant supporting equipment and facilities in the domestic terminal corridor bridge of Meilan Airport
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Land Use Right”	the land use right of the Apron (with a total area of approximately 108,738 sq.m.) owned by the Parent Company
“Lease Agreement”	the lease agreement entered into between the Company and the Parent Company on 30 November 2020, pursuant to which the Parent Company agreed to lease the Leased Assets to the Company for use of providing ground services to flights and passengers or other services within the business scope of the Company for a term three (3) years commencing on 1 December 2020 and ending on 30 November 2023 (both days inclusive)
“Leased Assets”	the subject matter under the Lease Agreement, comprising of the Land Use Right, the Structures and the Equipment
“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
“Nomination Committee”	the nomination committee of the Company

“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 on 25 August 1998, which is the controlling shareholder of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structures”	the structures of the Apron (with a total gross floor area of approximately 278,000 sq.m.) owned by the Parent Company
“Supervisor”	the supervisor of the Company
“VAT”	value added tax at the rate of 9% for the Land Use Right and Structures and at the rate of 13% for the Equipment, which are subject to adjustment from time to time according to the tax laws and regulations in the PRC

By order of the Board
Hainan Meilan International Airport Company Limited*
Wang Zhen
Chairman

Haikou, the PRC
30 November 2020

* *For identification purposes only*

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.

Unless otherwise specified in this announcement, the English names of the PRC entities are transliteration of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.