THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hainan Meilan International Airport Company Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF EQUITY INTEREST,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR,
PROPOSED ADJUSTMENT TO THE ANNUAL REMUNERATION PROPOSAL FOR THE DIRECTORS FOR THE YEAR 2026,
AND PROPOSED REGISTRATION AND ISSUANCE OF COMMERCIAL MORTGAGE-BACKED NOTES
AND
NOTICE OF THE EGM

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

八方金融有限公司
OCTAL Capital Limited

A letter from the Board is set out on pages 5 to 24 of this circular. A letter from the Independent Board Committee is set out on page 25 of this circular. A letter from Octal Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 54 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on 27 November 2026 in the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon, and in both cases in any event not later than 24 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the meeting or any adjourned meeting should you so desire.

* *For identification purposes only*

5 November 2026

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For the purposes of this circular, capitalized terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"associate"	has the meaning given to it in the Listing Rules
"Beijing YaChao"	Beijing YaChao Assets Appraisal Co., Ltd., an independent valuer
"Board"	the board of Directors
"CMBN"	the commercial mortgage-backed notes in an aggregate amount of not more than RMB1.5 billion (inclusive) proposed to be registered with the NAFMII and issued in the PRC inter-bank bond market
"CMBN Issuance"	the proposed issuance of the CMBN by the Company in the PRC
"Company"	Hainan Meilan International Airport Company Limited* (海南美蘭國際空港股份有限公司), a joint stock company incorporated in the PRC with limited liability
"connected person(s)"	shall have the meaning as defined in the Listing Rules
"Directors"	the directors of the Company
"Disposal"	the disposal of the Target Equity Interest by Ruigang Logistics to Hainan Airport Development contemplated under the Equity Transfer Agreement, which is subject to Independent Shareholders' approval at the EGM
"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 are subscribed for in RMB
"Dongying Shengli"	Dongying Shengli Airport Management Co., Ltd. (東營勝利機場管理有限責任公司), a company incorporated in the PRC with limited liability

* *For identification purposes only*

"EGM"	the extraordinary general meeting to be convened by the Company on Friday, 27 November 2026 for the purposes of considering and, if thought fit, approving, among other things, the Equity Transfer Agreement and the Disposal contemplated thereunder, the proposed amendments to the Articles of Association, the proposed appointment of a non-executive Director, the proposed adjustment to the annual remuneration proposal for the Directors for the year 2026, and the proposed registration and issuance of the CMBN, including any adjournment in respect thereof
"Equity Transfer Agreement"	the equity transfer agreement dated 21 August 2026 entered into between Ruigang Logistics and Hainan Airport Development
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
"Hainan Airport Development"	Hainan Airport Development Industry Group Co., Ltd.* (海南空港開發產業集團有限公司), a company incorporated in the PRC with limited liability
"Hainan Airport Group"	Hainan Airport Group Co., Ltd. (海南機場集團有限公司), a company established in the PRC with limited liability and wholly owned by Hainan Development Holdings
"Hainan Airport Holdings"	Hainan Airport Holdings Operation Management Co., Ltd.* (海南空港控股運營管理有限公司), a company incorporated in the PRC with limited liability
"Hainan Airport Infrastructure"	Hainan Airport Infrastructure Co., Ltd. (海南機場設施股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600515.SH)
"Hainan Development Holdings"	Hainan Development Holdings Group Co., Ltd. (海南省發展控股集團有限公司, formerly known as Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司)), a limited liability company established in the PRC and owned as to approximately 91.83% by the Hainan SASAC and as to approximately 8.17% by the Department of Finance of Hainan Province

* *For identification purposes only*

"Hainan SASAC"	the State-owned Assets Supervision and Administration Commission of Hainan Province (海南省國有資產監督管理委員會)
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the Equity Transfer Agreement and the Disposal contemplated thereunder
"Independent Financial Adviser" or "Octal Capital"	Octal Capital Limited, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Equity Transfer Agreement and the Disposal contemplated thereunder
"Independent Shareholders"	Shareholders other than Hainan Airport Infrastructure and its associates (as defined in the Listing Rules) who do not have any material interests in the Equity Transfer Agreement and the Disposal contemplated thereunder
"Latest Practicable Date"	2 November 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
"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
"NAFMII"	the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會)
"Nomination Committee"	the nomination committee of the Board
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Ruigang Logistics"	Hainan Ruigang Logistics Co., Ltd. (海南瑞港物流有限 公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
"Sanya Phoenix"	Sanya Phoenix International Airport Co., Ltd. (三亞鳳凰國際機場有限責任公司), a company incorporated in the PRC with limited liability

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shareholder(s)"	registered holder(s) of the shares of the Company
"Shares"	ordinary shares issued by the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Equity Interest"	the target equity interest of the Disposal, being 6% of the total equity interest in Hainan Airport Holdings
"Terminal Complex"	the terminal complex at Meilan Airport, comprising the commercial building, the car park building and the hotel building, held by the Company under real estate title certificate nos. Qiong (2025) Haikou Shi Bu Dong Chan Quan 0237205 and 0237206 (瓊(2025)海口市不動產權第0237205號、0237206號)
"Yichang Sanxia"	Yichang Sanxia International Airport Co., Ltd. (宜昌三峽國際機場有限責任公司), a company incorporated in the PRC with limited liability
"%"	per cent

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

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)

Executive Directors:
Wang Hong
(Chairman and Authorized Representative)
Qiu Guoliang *(President)*
Xiang Xiujin *(Chief Financial Officer)*

Non-executive Directors:
Ya Zhihui
Zhou Peng

Independent Non-executive Directors:
Fung Ching, Simon
Ye Zheng
Liu Hongbin
Tang Bi

Employee Director:
Tian Qingquan

Registered Office:
Office Building of Meilan Airport
Haikou City
Hainan Province
the PRC

Principal Place of Business in Hong Kong:
Room 2204, 22/F
Fu Fai Commercial Centre
27 Hillier Street
Sheung Wan
Hong Kong

To the Shareholders,

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR, PROPOSED ADJUSTMENT TO THE ANNUAL REMUNERATION PROPOSAL FOR THE DIRECTORS FOR THE YEAR 2026, AND PROPOSED REGISTRATION AND ISSUANCE OF COMMERCIAL MORTGAGE-BACKED NOTES AND NOTICE OF THE EGM

A. INTRODUCTION

Reference is made to the announcements of the Company dated 21 August 2026 in relation to, among others, the Equity Transfer Agreement and the proposed amendments to the Articles of Association. Reference is also made to the announcement of the Company dated 24 September 2026 in relation to, among others, the proposed appointment of a non-executive Director.

* *For identification purposes only*

The purpose of this circular is to provide you with, among other things, (i) further details of the Equity Transfer Agreement and the Disposal contemplated thereunder, the proposed amendments to the Articles of Association, the proposed appointment of a non-executive Director, the proposed adjustment to the annual remuneration proposal for the Directors for the year 2026, and the proposed registration and issuance of the CMBN; and (ii) the view of the Independent Board Committee and the Independent Financial Adviser on the Equity Transfer Agreement and the Disposal contemplated thereunder, and to give you notice of the EGM to consider and, if thought fit, to approve the relevant resolutions at the EGM.

B. DISPOSAL OF EQUITY INTEREST

On 21 August 2026, Ruigang Logistics and Hainan Airport Development entered into the Equity Transfer Agreement, pursuant to which Ruigang Logistics shall sell, and Hainan Airport Development shall acquire, the Target Equity Interest.

1. Material Terms of the Equity Transfer Agreement

Date

21 August 2026

Parties

(1) Ruigang Logistics; and

(2) Hainan Airport Development.

Subject matter

Pursuant to the Equity Transfer Agreement, Ruigang Logistics shall sell, and Hainan Airport Development shall acquire, the Target Equity Interest (including ownership and the ancillary rights and obligations associated with the Target Equity Interest).

Target Equity Interest

The Target Equity Interest represents 6% of the total equity interest in Hainan Airport Holdings.

Hainan Airport Holdings is a limited liability company incorporated under the laws of the PRC on 31 October 2003. As at the Latest Practicable Date, it was owned as to 63.25% by Hainan Airport Investment and Operation Management Co., Ltd.* (海南空港投資運營管理有限公司, which was owned as to approximately 86.48% by Hainan Airport Development), 12.25% by Hainan Airport Development, and 24.5% by Ruigang Logistics. It is a shareholding platform for the equity interest in Sanya Phoenix, Dongying Shengli and Yichang Sanxia.

* *For identification purposes only*

Based on the consolidated financial information of Hainan Airport Holdings prepared based on the generally accepted accounting principles of the PRC, the unaudited total asset value and net asset value of Hainan Airport Holdings as at 30 June 2026 were approximately RMB13,761,164,430.33 and RMB3,826,819,615.04, respectively.

The audited net profit before and after taxation of Hainan Airport Holdings for the two financial years ended 31 December 2025 (prepared based on the generally accepted accounting principles of the PRC), respectively, were as follows:

	For the year ended 31 December	
	2025	**2024**
	(RMB)	
Net profit before taxation	245,879,728.77	327,717,147.39
Net profit after taxation	245,656,430.77	243,038,298.61

Consideration, pricing basis and payment terms

Pursuant to the Equity Transfer Agreement, the total consideration payable by Hainan Airport Development to Ruigang Logistics for the transfer of the Target Equity Interest is RMB109,064,207.28, which is determined on normal commercial terms and arrived at after arm's length negotiations based on the appraised value of the Target Equity Interest of RMB109,064,207.28 as at the valuation benchmark date (being 31 December 2025), according to the valuation conducted by an independent valuer using the asset-based approach.

Within 30 business days after the effective date of the Equity Transfer Agreement, and irrespective of whether the registration of commercial change in the Target Equity Interest to the name of Hainan Airport Development has been completed, Hainan Airport Development shall pay the consideration to Ruigang Logistics in a single lump-sum payment by way of bank transfer.

Conditions Precedent

Completion of the Equity Transfer Agreement is conditional upon the following conditions:

(i) the appraised result of the Target Equity Interest under the asset valuation report obtaining filing with Hainan Development Holdings *(Note)*;

(ii) the parties obtaining respective internal authorisation and approval in accordance with their respective articles of association;

(iii) the transaction being approved by Hainan Development Holdings or its authorised decision-making body *(Note)*; and

(iv) the Equity Transfer Agreement and the transaction are approved by the general meeting of the Company.

As at the Latest Practicable Date, conditions (ii) and (iii) above had been satisfied.

Note: conditions (i) and (iii) above are made pursuant to the applicable state-owned assets supervision laws and regulations.

Completion

Both parties shall coordinate and procure Hainan Airport Holdings to attend to, within 30 business days after the effective date of the Equity Transfer Agreement, the registration of commercial change as well as the filing procedures in respect of the transfer of the Target Equity Interest with the competent corporate registration authority(ies). Each party shall render such assistance and cooperation as may be necessary.

From the delivery date (being the date on which the registration of commercial change for the transfer of the Target Equity Interest to the name of Hainan Airport Development is completed), the Target Equity Interest shall belong to Hainan Airport Development, and Hainan Airport Development shall succeed to all shareholder rights and obligations of Ruigang Logistics corresponding to the Target Equity Interest.

All profits or losses arising from the Target Equity Interest during the transitional period (being the period between the valuation benchmark date and the delivery date) shall be enjoyed or borne by Hainan Airport Development. Any accumulated undistributed profits of Hainan Airport Holdings (if any) prior to the delivery date shall be shared among the shareholders of Hainan Airport Holdings in proportion to their respective shareholdings after the delivery date.

Upon completion of the Disposal, the equity interest of Ruigang Logistics in Hainan Airport Holdings will decrease from 24.5% to 18.5%. Hainan Airport Holdings is not, and will not be, a subsidiary of the Group prior to and after the Disposal.

2. The Valuation

The independent valuer, Beijing YaChao Assets Appraisal Co., Ltd. (an independent valuation firm qualified in the PRC), has conducted an independent valuation using the asset-based approach. The subject of the valuation is the market value of the Target Equity Interest, which is calculated as 6% of the appraised value of the entire owners' equity of Hainan Airport Holdings as at the valuation benchmark date (being 31 December 2025). The independent valuer has obtained Hainan Airport Holdings' financial statements as at the valuation benchmark date and conducted the valuation with reference to such statements. The independent valuer issued an asset valuation report on 12 June 2026 and the useful life of the valuation conclusion is one year from the valuation benchmark date.

Valuation Approaches

The independent valuer analyzed the applicability of the three basic asset valuation approaches, i.e. market approach, income approach and asset-based approach, based on relevant factors such as the purpose of the valuation, valued subject, type of value, information obtained and applicable conditions of the valuation method, before properly selecting the approach for the valuation:

- Hainan Airport Holdings serves solely as a shareholding vehicle. It has no independent business operations, no operating assets, and no independent revenue source – it realises returns solely through dividends from its three subordinate airport companies. It is therefore unable to independently generate complete and sustainable operating cash flows, and does not satisfy the fundamental conditions for conducting income approach projections on a standalone parent company basis. Therefore, the income approach is not applicable to this valuation.

- Hainan Airport Holdings serves solely as a shareholding platform. It has no operating assets, no independent operating revenue, personnel or business, and derives all of its value from equity investments in the three subordinate airport companies. The market approach typically applies to targets which are operating entities with complete and independent operating systems. A pure shareholding shell company has no directly comparable equity transaction samples, and it is not possible to construct a comparable adjustment framework based on transaction prices of the equity interests of a shell company. Accordingly, the market approach is not applicable to this valuation.

- Considering that the accounting practices of Hainan Airport Holdings are relatively standardised, the asset and liability information is obtainable, each item of assets and liabilities can be identified and individually appraised using appropriate methods, and on-site inspection procedures can also be performed, the asset-based approach has been adopted for this valuation.

In enterprise valuation, the asset-based approach refers to the method that uses the balance sheet of the entity being appraised as of the valuation benchmark date as its basis, appraises the value of each on-balance-sheet and identifiable off-balance-sheet asset and liability, and thereby determines the value of the subject being appraised.

Key Inputs and Computation Process

Item	Book Value A	Appraised Value B	Appreciation/ Depreciation C=B-A	Appreciation/ Depreciation Rate % D=C/A×100%
		(in RMB10,000)		
Current assets	9,189.91	9,189.91	0.00	0.00
Non-current assets	520,725.21	487,663.57	-33,061.64	-6.35
Including:				
Long-term equity investments	520,715.59	487,653.95	-33,061.64	-6.35
Other non-current assets	9.62	9.62	0.00	0.00
Total assets	**529,915.12**	**496,853.48**	**-33,061.64**	**-6.24**
Current liabilities	315,079.80	315,079.80	0.00	0.00
Non-current liabilities	0.00	0.00	0.00	0.00
Total liabilities	**315,079.80**	**315,079.80**	**0.00**	**0.00**
Owners' equity	**214,835.32**	**181,773.68**	**-33,061.64**	**-15.39**

Current Assets – Other receivables are the main component of current assets, with a book value of RMB91,629,000, primarily consisting of inter-company balances.

Non-current Assets – Long-term equity investments are the main component of non-current assets, with a book balance of RMB5,207,155,900, impairment provision of RMB0.00, and a book value of RMB5,207,155,900, representing investments in Sanya Phoenix, Yichang Sanxia and Dongying Shengli.

Long-term Equity Investments – Long-term equity investments have a book balance of RMB5,207,155,900, impairment provision of RMB0.00, and a book value of RMB5,207,155,900, mainly comprising 1 controlled subsidiary and 2 associates.

As at the valuation benchmark date (being 31 December 2025), the book value of the total assets reported by Hainan Airport Holdings for valuation was RMB5,299,151,200, the book value of total liabilities was RMB3,150,798,000 and the book value of owners' equity was RMB2,148,353,200. By using the asset-based approach, as at the valuation benchmark date, the appraised value of the total assets of Hainan Airport Holdings was RMB4,968,534,800, representing a valuation depreciation of RMB330,616,400 or a depreciation rate of 6.24%; the appraised value of total liabilities was RMB3,150,798,000, representing no valuation appreciation or depreciation; the appraised value of entire owners' equity was RMB1,817,736,800, representing a valuation depreciation of RMB330,616,400 or a depreciation rate of 15.39%.

The appraised value of the Target Equity Interest is 6% of the appraised value of the entire owners' equity, being RMB109,064,207.28.

Main Reason for Valuation Depreciation

Hainan Airport Holdings' long-term equity investments are recorded on a historical cost basis, reflecting the initial investment cost and subsequent accounting measurement costs, whereas the appraised value reflects fair value, thereby giving rise to the valuation difference.

Valuation Assumptions

The valuation is subject to the following assumptions:

Basic assumptions

(i) Transaction assumption: it is assumed that all assets subject to valuation are already in the process of being transacted, and the valuers estimate the value in a simulated market based on the transaction terms of the assets under valuation.

(ii) Open market assumption: in respect of assets transacted or proposed to be transacted on the market, both parties to the transaction are on an equal footing and each has the opportunity and time to obtain sufficient market information so as to make rational judgments regarding the function, use and transaction price of the assets. The open market assumption is premised on the basis that the assets can be openly bought and sold on the market.

(iii) Continued use of assets assumption: at the time of valuation, it is assumed that the assets under valuation will continue to be used in accordance with their current purpose, manner of use, scale, frequency and environment, or will be used on a modified basis, and the valuation methods, parameters and bases are determined accordingly.

(iv) Going concern assumption: the entity under valuation will continue to operate as a going concern and will maintain its current mode of operations.

General assumptions and specific assumptions in this valuation

(v) There will be no material changes in the socio-economic environment in which the entity under valuation is located, and no material changes in the relevant laws, regulations and policies of the PRC or the region in which the entity is located.

(vi) It is assumed that the information provided by the client and the entity under valuation is true, complete and reliable, and that there are no defective, contingent or other matters that may affect the valuation conclusions which should have been provided but were not, or which could not be ascertained by the asset valuation professionals despite having performed the necessary valuation procedures.

(vii) It is assumed that no force majeure or unforeseeable events that would affect the operations of the entity under valuation will occur after the valuation benchmark date.

(viii) It is assumed that no other force majeure or unforeseeable factors will have a material adverse impact on the entity.

(ix) The entity under valuation will be able to make timely adjustments and innovations in response to market developments and advances in science and technology, while maintaining consistency in its business scope, mode of operations and management model.

(x) There are no title disputes or other economic disputes in respect of the assets and liabilities declared by the entity under valuation.

(xi) The production and business operations of the entity under valuation and the economic activities related thereto are in compliance with PRC laws and regulations.

(xii) There will be no material changes in future lending rates, value-added tax rates, surcharge rates, or enterprise income tax rates.

Views of the Board

The Board has reviewed, among other things, the relevant assumptions and approach adopted in the asset valuation report. In particular, the Board notes that Hainan Airport Holdings' long-term equity investments in Yichang Sanxia and Dongying Shengli were valued using the method of statement conversion, i.e. multiplying the shareholding ratio as at the valuation benchmark date by the net assets of the investee as shown in its financial statements. As set out in the asset valuation report, Hainan Airport Holdings is a minority shareholder of, and does not control, Yichang Sanxia and Dongying Shengli. As a minority shareholder, Hainan Airport Holdings is not in a position to require Yichang Sanxia and Dongying Shengli to provide complete valuation information, allow on-site inspection or support the full set of valuation procedures. Having considered that, as confirmed by Beijing YaChao, (i) it is not uncommon in the PRC for an investee to decline to cooperate with a valuation requested by a minority shareholder; and (ii) such valuation method is in line with the applicable PRC valuation rules and standards, details of which are set out in the section headed "Circumstances of Restricted Valuation Procedures, Remedial Measures Taken by the Asset Valuation Institution, and Impact on the Valuation Conclusion" in the asset valuation report in Appendix I to this circular, as well as the views of the Independent Financial Adviser on such valuation method, the Board considers such valuation method reasonable. Based on the above, the Board is of the view that the assumptions and approach adopted during the valuation are fair and reasonable. Therefore, the basis for determining the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Financial Effects of the Disposal and Proposed Use of Proceeds

As at 30 June 2026, the book value of the 24.5% equity interest in Hainan Airport Holdings held by Ruigang Logistics at the consolidated financial statements of the Company was approximately RMB312 million. Based on the book value of the long-term equity investment in the standalone financial statements of Ruigang Logistics, the appraised value uplift attributable to the Target Equity Interest is approximately RMB33 million. Following completion of the Disposal, the remaining shareholding will no longer constitute significant influence over Hainan Airport Holdings, and the accounting treatment will be reclassified from a long-term equity investment to a financial instrument. The appraised value of the remaining shareholding represents an appreciation of approximately RMB100 million as compared with the book value. In accordance with the applicable PRC accounting standards, upon discontinuation of the equity method, capital reserves and other comprehensive income previously recognised in aggregate of approximately RMB407 million are required to be recognised together as profit or loss for the current period. Taking into account the foregoing factors, the Disposal is expected to result in the recognition of an investment gain of approximately RMB540 million at the consolidated financial statements of the Company.

The above figure is estimated based on the unaudited financial information of Hainan Airport Holdings as at 30 June 2026. Since the final investment gain to be recognised is subject to adjustment based on changes in the net assets of Hainan Airport Holdings during the period from June 2026 to the date immediately prior to the delivery date, the actual amount may differ from the estimated amount set forth above. The final investment gain shall be subject to the final audited financial statements disclosed by the Group.

Ruigang Logistics intends to apply the proceeds from the Disposal towards the repayment of certain amounts due to the Company, which will in turn enable the Company to utilise such funds for the repayment of interest-bearing debts of the Company and its subsidiaries as and when they fall due.

4. Reasons for and Benefits of Entering into the Equity Transfer Agreement

The Group's principal business is the operation of Meilan Airport. The equity interest in Hainan Airport Holdings as held by Ruigang Logistics is an investment asset of lower relevance to the Group's core business. The Disposal allows the Group to divest its non-core assets and focus resources on core airport operations. Further, the proceeds from the Disposal will be applied towards the repayment of the Group's indebtedness, reducing interest-bearing debt and finance costs, and are expected to improve the Group's financial positions. Meanwhile, retaining the remaining 18.5% equity interest in Hainan Airport Holdings could preserve long-term strategic exposure to the growth potential of, among other things, the Sanya Phoenix International Airport in light of the Hainan Free Trade Port development, with flexibility to further dispose of such interest based on market conditions.

The Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement is entered into on normal commercial terms, and the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. However, such transaction is not conducted in the ordinary course of business of the Group due to its nature.

5. Board Approval

The Equity Transfer Agreement and the Disposal have been approved by the Board.

Each of Mr. Wang Hong, Mr. Xiang Xiujin, Mr. Ya Zhihui and Mr. Zhou Peng may be deemed to be interested in the Equity Transfer Agreement and the Disposal as they hold directorships or other positions in Hainan Airport Infrastructure or its related parties, and therefore had abstained from voting on the relevant resolutions at the Board meeting approving the same. Mr. Wang Hong, an executive Director and the chairman of the Board, serves as the vice president and member of the party committee at Hainan Airport Group (which is the holding company of Hainan Airport Infrastructure); Mr. Xiang Xiujin, an executive Director, served as the general manager of the planning and finance department of Hainan Airport Infrastructure at that time (has resigned); Mr. Ya Zhihui, a non-executive Director, serves as the general manager of the audit department and employee director of Hainan Airport Infrastructure; and Mr. Zhou Peng, a non-executive Director, serves as the general manager of the investment operation department of Hainan Airport Infrastructure and a director of Hainan Airport Infrastructure (Hongkong) Co., Limited (a subsidiary of Hainan Airport Infrastructure).

6. Information about the Parties

The Group

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

Ruigang Logistics

Ruigang Logistics is a wholly-owned subsidiary of the Company and is principally engaged in the operation of the parking lot at Meilan Airport and related support services.

Hainan Airport Development

Hainan Airport Development is an investment holding company in the areas including airport operation management, real estate, architecture design and consultation. It is also engaged in the operation management of two hotels through its branches. It is wholly-owned by Hainan Airport Infrastructure.

Hainan Airport Infrastructure

Hainan Airport Infrastructure is a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange, with stock code 600515.SH. Hainan Airport Infrastructure is principally engaged in airport management, duty free and commercial property operation, real estate, property management and hotel businesses. The substantial shareholders of Hainan Airport Infrastructure are Hainan Airport Group (which is the single largest shareholder of Hainan Airport Infrastructure) and HNA Foundation Holding Group Co., Ltd. (海航基礎控股集團有限公司) (holding approximately 24.87% and 19.69% interests respectively). Hainan Airport Group is wholly owned by Hainan Development Holdings, which is in turn controlled by the Hainan SASAC. HNA Foundation Holding Group Co., Ltd. is ultimately controlled by CITIC Limited, a company listed on the Stock Exchange (stock code: 267) and primarily engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanization.

7. Listing Rules Implications

As at the Latest Practicable Date, Hainan Airport Infrastructure was the controlling shareholder of the Company, which, by itself and through its wholly-owned subsidiary, held approximately 62.38% of the issued share capital of the Company. Hainan Airport Development is a wholly-owned subsidiary of Hainan Airport Infrastructure. Accordingly, Hainan Airport Development was an associate of Hainan Airport Infrastructure and a connected person of the Company. Therefore, the Equity Transfer Agreement and the Disposal constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5%, the Equity Transfer Agreement and the Disposal are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Equity Transfer Agreement and the Disposal also constitute a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

C. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes to make certain amendments to the Articles of Association. The proposed amendments are made for the purpose of (i) reflecting the provisions of relevant regulations in light of the actual circumstances of the Company; (ii) adjusting the business scope of the Company; and (iii) incorporating certain consequential and other house-keeping amendments.

The details of the proposed amendments to the Articles of Association are set out in Appendix II to this circular. The Articles of Association and the proposed amendments to the Articles of Association are written in Chinese without any official English version. The English version is for reference only. If there is any inconsistency between the English and Chinese versions of the Articles of Association, the Chinese version shall prevail.

The legal adviser of the Company as to Hong Kong laws has confirmed that the proposed amendments conform with the requirements of the Listing Rules governing the articles of association of listed companies. The legal adviser of the Company as to PRC laws has confirmed that the proposed amendments conform with the relevant laws and regulations of the PRC. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

The proposed amendments to the Articles of Association are subject to the consideration and approval of the Shareholders by way of a special resolution at the EGM and (if required) the approval of the relevant competent authorities in the PRC.

The above resolution was considered and approved by the Board on 21 August 2026 and is being proposed as a special resolution for consideration and approval at the EGM.

D. PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

Subject to the approval by the Shareholders at the EGM, the Board proposes to appoint Ms. Jiang Lini (江麗妮女士) ("**Ms. Jiang**") 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 Ms. Jiang are set out below pursuant to Rule 13.51(2) of the Listing Rules.

Ms. Jiang Lini (江麗妮女士), aged 43, obtained a bachelor's degree from Wuhan University (武漢大學) in July 2007, majoring in English and marketing. She holds the qualification certificate of board secretary (董事會秘書資格證). Ms. Jiang has worked in the areas of capital markets and corporate governance of listed companies for nearly 20 years, with extensive experience in information disclosure of listed companies, corporate compliance and governance, capital operations, and corporate financing management. From July 2007 to November 2008, Ms. Jiang served as the securities business assistant of the investment and cooperation office of the securities business department of HNA Group Company Limited (海航集團有限公司) ("**HNA Group**"). From November 2008 to September 2010, she served as the corporate financing business assistant of the securities business department of HNA Capital Group Co., Ltd. (海航資本集團有限公司) (formerly known as HNA Industry Holdings Co., Ltd. (海航實業控股有限公司)). From September 2010 to March 2015, she successively served as the capital operation supervisor, capital operation manager and manager of the capital operation management centre of the domestic capital operation management unit of the securities business department of HNA Group. From March 2015 to August 2016, she served as a deputy general manager of the securities business department of HNA Aviation Group Co., Ltd. (海航航空集團有限公司). From August 2016 to April 2017, she successively served as the deputy general manager of the securities business department and deputy general manager of the investment banking management department of HNA Travel Group Co., Ltd. (海航航空旅遊集團有限公司) (formerly known as HNA Tourism Group Co., Ltd. (海航旅業集團有限公司)). From April 2017 to November 2019, she served as the vice president and secretary to the board of directors of Caissa Tourism Group Co., Ltd. (凱撒旅業集團股份有限公司) (formerly known as HNA-Caissa Travel Group Co., Ltd. (海航凱撒旅遊集團股份有限公司), a company listed on the Shenzhen Stock Exchange, stock code: 000796.SZ). From November 2019 to December 2021, she successively served as the assistant to the general manager of the assets and securities management department and deputy general manager of the securities business department of HNA Group. Since December 2021, she has been serving as the director of the board office of Hainan Airport Infrastructure.

Save as disclosed above and as at the Latest Practicable Date, Ms. Jiang (i) had not held any other directorships in listed public companies in the last three years; (ii) did not have any relationship with any other Directors and senior management of the Company or substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company; and (iii) was not interested in any Shares as defined in Part XV of the SFO. There was no information in relation to the appointment of Ms. Jiang as a non-executive Director which was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there were no other matters that need to be brought to the attention of the Shareholders.

Subject to the approval by the Shareholders at the EGM, Ms. Jiang will be appointed as a non-executive Director for a term commencing on the grant of approval at the EGM and lasting until expiration of the ninth session of the Board and subject to re-election in accordance with the Articles of Association and/or pursuant to the Listing Rules. According to Ms. Jiang's own will, she will not receive any director's remuneration from the Company.

The appointment of Ms. Jiang has been considered and approved by the Nomination Committee and the Board. In approving such appointment, the Nomination Committee has considered her past experience. The Nomination Committee is of the view that Ms. Jiang will bring to the Board her own perspective, skills and experience, as described in her biographical details set out above. Based on the board diversity policy adopted by the Company, the Nomination Committee considers that Ms. Jiang can contribute to the diversity of the Board in various aspects, including culture, knowledge, educational background, experience and skills. In particular, the Nomination Committee has considered her experience in capital operations and securities affairs of listed companies.

Based on the above, the Board, with the recommendation of the Nomination Committee, has nominated Ms. Jiang for appointment as a non-executive Director at the EGM.

E. PROPOSED ADJUSTMENT TO THE ANNUAL REMUNERATION PROPOSAL FOR THE DIRECTORS FOR THE YEAR 2026

An ordinary resolution will be proposed at the EGM to consider and approve the adjustment to the annual remuneration proposal for the Directors for the year 2026.

Pursuant to provision E.1 of Part 2 of the Corporate Governance Code set forth in Appendix C1 to the Listing Rules, having considered the Directors' contributions to the operations and development of the Company, as well as the remuneration paid by other comparable companies, the Company intends to adjust the annual remuneration proposal for the Directors for the year 2026. Given that the executive Directors and employee Director hold administrative positions at the Company and do not receive director's allowance, and that all non-executive Directors do not receive director's allowance according to their own will, the allowance standard for executive Directors, non-executive Directors, and employee Director will not be adjusted in the proposed adjustment to the annual remuneration proposal for the Directors for the year 2026. Before the proposed adjustment, each independent non-executive Director is entitled to an allowance standard of RMB100,000 (after tax) per year; after the proposed adjustment, each independent non-executive Director is entitled to an allowance standard of RMB120,000 (after tax) per year. The proposed adjustment to the remuneration is in line with the Company's actual operating conditions and prevailing market levels. It will help further motivate the Directors in the performance of their duties and is conducive to the Company's long-term development. The adjustment does not prejudice the interests of the Company or its minority Shareholders.

The adjusted remuneration may only be implemented after approval of the relevant resolution by the Shareholders at the EGM. The adjusted remuneration shall take effect and be calculated from the date of approval at the EGM, and shall apply for the period from the date of approval until 31 December 2026. The remuneration for the period before the date of approval at the EGM shall remain unchanged and shall not be affected by this adjustment.

F. PROPOSED REGISTRATION AND ISSUANCE OF COMMERCIAL MORTGAGE-BACKED NOTES

In order to optimise the debt structure of the Company, broaden its financing channels, revitalise its existing assets and satisfy the funding needs of its daily production and operations, the Board proposes that the Company applies to the NAFMII for the registration and issuance of the CMBN in an aggregate amount of not more than RMB1.5 billion (inclusive).

1. Principal Terms of the CMBN Issuance

The principal terms of the CMBN Issuance are set out below:

Issuer	The Company
Product type	Commercial mortgage-backed notes (CMBN)
Registration venue	The NAFMII
Settlor/lender	Ruigang Logistics, a wholly-owned subsidiary of the Company
Mortgagor	The Company
Underlying assets	The Company (as borrower) and Ruigang Logistics (as lender) will establish a loan debt and the creditor's rights in an amount of not more than RMB1.5 billion (inclusive) (matching the issuance size). Ruigang Logistics will transfer the creditor’s rights under such loan to the asset-backed note trust as the underlying assets
Pooled property	The Terminal Complex
Issue method	The CMBN will be issued after the lead underwriter, China Merchants Bank Co., Ltd. (招商銀行股份有限公司), applies to the NAFMII for registration of the CMBN
Issue price	Each asset-backed note will have a par value of RMB100 and will be issued at par

Issue size	Not more than RMB1.5 billion (inclusive) under the circumstances of obtaining an AA+ rating, subject to the final appraisal results of the valuer and the approval by the NAFMII
Issue rating	At the application stage, based on the Company's existing AA+ issuer rating, the rating agency will, based on the valuation report and cash flow forecast on the pooled property issued by the valuer, determine the issue size (expected to be 50% to 70% of the appraised value), and, on this basis, determine the issue ratings and the tranche structure and ratio, and issue the product cashflow projection. The senior A notes and senior B notes are proposed to be rated AAA and AA+, respectively. The issuance proposal will go through the registration procedures with the NAFMII, and the final registered issue size shall be subject to the results of the registration review
Issue term	Not more than 18 years (structured as 3+3+3+3+3+3 years), with an investor put option, an issuer redemption option and a coupon rate adjustment option at the end of every three years
Targets of the issuance	Qualified investors in the PRC inter-bank bond market
Coupon rate	Tentatively 2.00% to 2.50% per annum (fixed rate, with simple interest calculated annually), subject to market conditions at the time of issuance
Payment of principal and interest	Interest is payable semi-annually, and principal will be amortised in fixed amounts during the term (tentatively, and subject to the final approval of the competent authorities)
Source of repayment	The operating income of the pooled property as the source of repayment of the underlying assets
Use of proceeds	After deducting issuance expenses, 70% of the proceeds is expected to be used to repay the existing interest-bearing debts of the Group and 30% to replenish working capital, etc., subject to the approval of the NAFMII
Designated proceeds account	The Company will, in accordance with applicable laws and regulations, designate a special account for the receipt, deposit and transfer of the proceeds from the CMBN Issuance and the payment of principal and interest
Underwriting	The lead underwriter will underwrite the senior asset-backed notes by way of standby commitment

Conditions precedent	Obtaining the approvals in accordance with applicable laws and regulations, including but not limited to the approval of the Shareholders at the EGM and of the relevant state-owned assets approval authority
Credit enhancement measures	(i) Senior/subordinated tranching: on each payment date during the term of the asset-backed note trust, holders of the senior notes will have priority of payment, while the subordinated notes will receive distribution in one lump sum upon exit. The subordinated notes will be subscribed in full by the Company and may not be transferred without the written consent of the trustee; (ii) Mortgage over the property rights of the Terminal Complex; (iii) Pledge of the operating income of the Terminal Complex; (iv) Deficiency payment undertaking by the Company: the Company will provide a deficiency payment undertaking for the payment of principal and interest of the CMBN, and will make up any shortfall in cash if the cash flow for the relevant period is insufficient; (v) Liquidity support by the Company: if a short-term shortfall arises in the payment of the daily operation and maintenance expenses and any tax of the property due to temporary reasons such as delays in the collection of rent, the Company undertakes to provide liquidity support to safeguard the cash flow of the property's operations and to ensure the normal operation of the property during the term of the CMBN; and (vi) Put-back and redemption undertaking by the Company: during each put-back registration period at the end of every three years, holders of the senior notes (including senior A notes and senior B notes) will have the right to sell all or part of their senior notes back to the Company, and the Company will have the right to redeem all the remaining senior asset-backed notes
Validity period of the authorisation	24 months from the date of approval of the CMBN Issuance by the Shareholders at the EGM

2. Proposed Authorisation to the Board

It is proposed that the Shareholders authorise the Board at the EGM to deal with the following matters in relation to the CMBN Issuance:

1. to the extent permitted by laws and regulations, and in accordance with the circumstances of the Company and the market conditions at the time of issuance, to formulate the specific terms and arrangements of the CMBN Issuance and to provide the relevant credit enhancement measures for the CMBN Issuance;

2. within the scope of the principal terms set out in the paragraph headed "1. Principal Terms of the CMBN Issuance" above, to make any changes and adjustments to the terms and arrangements of the CMBN Issuance, including but not limited to the specific issue size, the interest rate or its calculation method, the timing of issuance, the establishment of a designated proceeds account, the offering tranches (if any), the redemption and put-back mechanism (if any), the credit enhancement measures, the term and method of repayment of principal and interest, the placing arrangements and any other matters relating to the CMBN Issuance;

3. within the scope of the authorisation granted at the general meeting, and with reference to the opinions of the relevant regulatory authorities, policies and market conditions, to make corresponding adjustments to matters relating to the CMBN Issuance or to determine whether to proceed with the issuance;

4. to execute the relevant and necessary agreements of the CMBN Issuance and supplemental agreements and documents due to any amendments or supplements thereto, and to perform all duties and obligations of the Company under the relevant transaction documents;

5. to appoint the relevant professional intermediaries involved in the CMBN Issuance; and

6. to discuss, negotiate and consult with other relevant parties on matters relating to the participation in the CMBN Issuance, and to handle all matters in connection with the foregoing with full authority, including but not limited to negotiating, executing and amending the relevant transaction documents, and carrying out the relevant approvals, registrations, mortgage and pledge, issuance procedures, post-issuance management (存續期管理) and other work required for completion of the relevant matters.

The CMBN Issuance was approved by the Board. Subject to obtaining the above authorisation from the Shareholders at the EGM, the Board will further delegate such authorisation to the management of the Company to implement the matters relating to the CMBN Issuance on behalf of the Company.

The above authorisation, if granted, will be valid for 24 months from the date of approval by the Shareholders at the EGM.

The CMBN Issuance shall also need to be registered with and approved by the NAFMII.

3. Reasons for and Benefits of the CMBN Issuance

The expected coupon rate of the CMBN Issuance is 2.0% to 2.5%. Upon the completion of the CMBN Issuance, it will help the Company to refinance the existing higher-cost interest-bearing debts, thereby reducing its financing costs to a certain extent, and to replenish its working capital. It will also increase the proportion of direct financing and establish a dual financing system of "bank credit + bond financing", so as to reduce the Company's reliance on bank credit facilities and improve its financing structure.

In addition, by securitising the future operating income of the Terminal Complex, the CMBN Issuance will revitalise the Company's existing assets, improve its return on net assets and support the Company's transition to an asset-light operating model. Accordingly, the Directors are of the view that the CMBN Issuance is in the interests of the Company and the Shareholders as a whole.

G. EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement and the Disposal contemplated thereunder, the proposed amendments to the Articles of Association, the proposed appointment of a non-executive Director, the proposed adjustment to the annual remuneration proposal for the Directors for the year 2026, and the proposed registration and issuance of the CMBN. Hainan Airport Infrastructure and Hainan Airport Infrastructure (Hongkong) Co., Limited (being a subsidiary of Hainan Airport Infrastructure), which in aggregate held approximately 62.38% of the issued shares of the Company as at the Latest Practicable Date, will abstain from voting on the resolution to be proposed at the EGM for approving the Equity Transfer Agreement and the Disposal contemplated thereunder. Each of them confirms that they control or are entitled to exercise control over the voting rights of their respective shareholdings in the Company.

Save as disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Equity Transfer Agreement and the Disposal contemplated thereunder, as well as other resolutions proposed for consideration and approval at the EGM, and no Shareholder is required to abstain from voting to approve the relevant resolutions at the EGM.

The Independent Board Committee comprising four independent non-executive Directors, namely Mr. Fung Ching, Simon, Mr. Ye Zheng, Ms. Liu Hongbin and Ms. Tang Bi, none of whom has any direct or indirect interest in the Equity Transfer Agreement and the Disposal contemplated thereunder, has been established to advise the Independent Shareholders in relation to their voting on the resolution relating to the Equity Transfer Agreement and the Disposal contemplated thereunder.

Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the Disposal contemplated thereunder.

The EGM will be held at 10:00 a.m. on 27 November 2026 at the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC. Set out on pages EGM-1 to EGM-3 of this circular is the notice for convening the EGM.

Pursuant to Rule 13.39(4) of the Listing Rules, voting at the EGM will be conducted by poll. The poll results will be published on the websites of the Company and of the Stock Exchange following the EGM.

A form of proxy for use at the EGM is accompanied with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon, and in any event not later than 24 hours before the time appointed for holding the EGM.

Shareholders are reminded that completion and delivery of the forms of proxy will not preclude the Shareholders from attending and voting in person at the EGM or at any adjournment thereof should they so wish.

H. BOOK CLOSURE

The Company's register of members will be closed from Friday, 20 November 2026 to Friday, 27 November 2026 (both days inclusive), during which no transfer of Shares will be registered. The Shareholders who are registered on Friday, 20 November 2026, being the record date for the EGM, and their proxies will be entitled to attend the EGM, provided they present valid identity documents. In order to qualify for attending and voting at the EGM, Shareholders must deliver their transfer documents, accompanied by the relevant share certificates and forms of transfer, to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Thursday, 19 November 2026.

I. RECOMMENDATIONS

The Board, including the Independent Board Committee, is of the opinion that the terms of the Equity Transfer Agreement and the Disposal contemplated thereunder are (i) fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned; (ii) on normal commercial terms; and (iii) in the interests of the Group and the Shareholders as a whole. However, such transaction is not conducted in the ordinary course of business of the Group due to its nature. Accordingly, the Board, including the Independent Board Committee, recommends that the Independent Shareholders vote in favour of the resolution set out in the notice of the EGM for approval of the Equity Transfer Agreement and the Disposal contemplated thereunder.

The Directors also believe that all other resolutions proposed for consideration and approval by the Shareholders at the EGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders vote in favour of all other resolutions to be proposed at the EGM as set out in the notice of EGM.

J. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee which contains its recommendation to the Independent Shareholders as to the voting at the EGM regarding the Equity Transfer Agreement and the Disposal contemplated thereunder, details of which are set out on page 25 of this circular, and the letter from the Independent Financial Adviser containing, among other things, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer Agreement and the Disposal contemplated thereunder, details of which are set out on pages 26 to 54 of this circular. None of the members of the Independent Board Committee has any material interest relating to the Equity Transfer Agreement and the Disposal contemplated thereunder.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Hainan Meilan International Airport Company Limited*
Wang Hong
Chairman

Hainan Province, the PRC
5 November 2026

* *For identification purposes only*

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)

5 November 2026

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION
DISPOSAL OF EQUITY INTEREST

We refer to the circular dated 5 November 2026 (the "**Circular**") to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the Equity Transfer Agreement and the Disposal contemplated thereunder, details of which are set out in the "Letter from the Board" contained in the Circular. The Independent Financial Adviser has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice of the Independent Financial Adviser and the principal factors and reasons that the Independent Financial Adviser has taken into consideration in giving such advice are set out in the "Letter from the Independent Financial Adviser" in the Circular. Your attention is also drawn to the "Letter from the Board" in the Circular and the additional information set out in the appendices thereto.

Having taken into account the (i) terms of the Equity Transfer Agreement and the Disposal contemplated thereunder; and (ii) views of the Independent Financial Adviser in the "Letter from the Independent Financial Adviser" in the Circular and the main factors and reasons in arriving at such views, we are of the opinion that the terms of the Equity Transfer Agreement and the Disposal contemplated thereunder are (i) fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned; (ii) on normal commercial terms; and (iii) in the interests of the Group and the Shareholders as a whole. However, such transaction is not conducted in the ordinary course of business of the Group due to its nature. We therefore recommend you to vote in favour of the Equity Transfer Agreement and the Disposal contemplated thereunder.

Yours faithfully,
Independent Board Committee

Fung Ching, Simon	**Ye Zheng**	**Liu Hongbin**	**Tang Bi**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

* *For identification purposes only*

The following is the full text of the letter of advice from Octal Capital Limited to the Independent Board Committee and the Independent Shareholders dated 5 November 2026 in relation to the Disposal.

金融有限公司
OCTAL Capital Limited

Octal Capital Limited
504-505, 5/F
308 Des Voeux Road Central
Hong Kong

5 November 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, particulars of which are set out in the letter from the Board (the "**Letter from the Board**") of the circular dated 5 November 2026 (the "**Circular**") to the Shareholders, of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

THE DISPOSAL

Reference is made to the announcement of the Company dated 21 August 2026 in relation to, *inter alia*, the Disposal. On 21 August 2026, Ruigang Logistics and Hainan Airport Development entered into the Equity Transfer Agreement, pursuant to which Ruigang Logistics shall sell, and Hainan Airport Development shall acquire, the Target Equity Interest, subject to the approval by the Independent Shareholders at the EGM.

As at the Latest Practicable Date, Hainan Airport Infrastructure was the controlling shareholder of the Company, which, by itself and through its wholly-owned subsidiary, held approximately 62.38% of the issued share capital of the Company. Hainan Airport Development is a wholly-owned subsidiary of Hainan Airport Infrastructure. Accordingly, Hainan Airport Development is an associate of Hainan Airport Infrastructure and a connected person of the Company. Therefore, the Equity Transfer Agreement and the Disposal constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5%, the Equity Transfer Agreement and the Disposal are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Equity Transfer Agreement and the Disposal also constitute a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

The Independent Board Committee comprising four independent non-executive Directors, namely Mr. Fung Ching, Simon, Mr. Ye Zheng, Ms. Liu Hongbin and Ms. Tang Bi, none of whom has any direct or indirect interest in the Equity Transfer Agreement and the Disposal contemplated thereunder, has been established to advise the Independent Shareholders in relation to their voting on the resolution relating to the Equity Transfer Agreement and the Disposal contemplated thereunder.

We, Octal Capital, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. As at the Latest Practicable Date, we were not connected with the directors, chief executive and substantial shareholders of the Company or Hainan Airport Development or any of their respective subsidiaries or associates and are therefore considered suitable to give independent advice in relation to the Disposal. During the last two years, we were engaged by the Company as an independent financial adviser to the Company in respect of (i) the major and connected transaction in relation to the new loan agreement, the new loan allocation agreement and the transactions contemplated thereunder (details can be referred to the circular of the Company dated 28 January 2025); (ii) the special deals in relation to the transfer of equity interest in Hainan Sky Plumage Flight Training Co., Ltd.* (海南天羽飛行訓練有限公司) from Hainan Airport Development to Hainan Airlines Holding Co., Ltd.* (海南航空控股股份有限公司) ("**HNA**") and the pro rata capital contribution by Hainan Airport Development and HNA into HNA Technic Co., Ltd.* (海航航空技術有限公司) (details can be referred to the joint circular of the Company and the offerors dated 30 September 2025); (iii) the major and connected transactions in relation to the renewed lease agreement (details can be referred to the supplementary circular of the Company dated 12 December 2025); (iv) the acquisition of approximately 50.19% shareholding in the Company by Hainan Airport Infrastructure and the unconditional mandatory cash offer to acquire all of the domestic shares and H shares of the Company (details can be referred to the composite document of the Company and the offerors dated 31 December 2025); (v) the continuing connected transaction in relation to the noise monitoring services procurement agreement dated 6 March 2026 entered into between the Company and Hainan Holdings Digital Intelligence Technology Co., Ltd. (the "**Noise Monitoring Services Agreement**") and to explain why the Noise Monitoring Services Agreement requires a longer period and to confirm that it is normal business practice for agreement of the same type of services as the Noise Monitoring Services Agreement to be of such duration (details can be referred to the announcement of the Company dated 6 March 2026); (vi) the continuing connected transactions in relation to the products and services procurement framework agreement entered into between the Company and Hainan Airport Infrastructure (details can be referred to the circular of the Company dated 15 July 2026) ; and (vii) the continuing connected transactions contemplated under the duty-free franchise agreement and the tripartite novation agreement dated 21 August 2026 (the "**Duty-free Franchise Transactions**") and to explain why the Duty-free Franchise Transactions require a longer period and to confirm that they are normal business practice for agreement of the same type of services as the Duty-free Franchise Transactions to be of such duration (details can be refer to the announcement of the Company dated 21 August 2026) (the "**Previous Engagements**"). Under the Previous Engagements, we were required to express our opinions on and/or give recommendations (as the case may be) to the Independent Board Committee and Independent Shareholders in respect of the transactions. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Group or the directors, chief executive and substantial shareholders of the Company or Hainan Airport Development or any of its subsidiaries or their respective associates. Despite the Previous Engagements, we consider that our independence is unaffected due to the facts that (i) under the Previous Engagements, we were entitled to receive normal professional fees that were comparable to market rates and the fees did not form a significant portion to our overall income; (ii) we had discharged our responsibilities with due care and skill and performed our duties with impartiality in respect of the Previous Engagements with the Company; and (iii) the Previous Engagements were handled independently as an individual task. Therefore, we consider that ourselves eligible to act as the independent financial adviser to the Company under the requirements of the Listing Rules.

* *For identification purposes only*

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true at the time they were made and continued to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and management of the Company (the "**Management**") regarding the Group and Hainan Airport Development, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and Management in the Circular were reasonably made after due enquiry. We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed neither in the Circular nor to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and Management. We have assumed that all the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and will continue to be so up to the date of EGM. We have not, however, conducted an independent in-depth investigation into the business and affairs of the Company, Hainan Airport Development and their respective subsidiaries or associates nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED IN RELATION TO THE DISPOSAL

In arriving at our recommendation in relation to the Disposal, we have considered the following principal factors and reasons:

1. Background of the Disposal

(a) Information of the Group and Ruigang Logistics

The Group is principally engaged in aeronautical and non-aeronautical businesses at Meilan Airport, in Hainan Province, the PRC. The aeronautical businesses of the Group mainly consist of the provision of terminal facilities, ground handling services and passenger services. The non-aeronautical businesses of the Group mainly include the leasing of commercial and retail spaces at Meilan Airport, franchising of airport-related business, advertising, car parking, cargo handling and sales of consumable goods.

Ruigang Logistics, as the seller of the Disposal, is a wholly-owned subsidiary of the Company and is principally engaged in the operation of the parking lot at Meilan Airport and related support services.

Set out below is a summary of the audited consolidated financial information of the Group for the financial years ended 31 December 2024 ("**FY2024**") and 2025 ("**FY2025**") as extracted from the annual report of the Company for FY2025 (the "**2025 Annual Report**") and the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 ("**HY2025**") and 2026 ("**HY2026**") as extracted from the interim report of the Company for HY2026 (the "**2026 Interim Report**") respectively:

	HY2026 *(unaudited)* *RMB'000*	**HY2025** *(unaudited)* *RMB'000*	**FY2025** *(audited)* *RMB'000*	**FY2024** *(audited)* *RMB'000*
Aviation business	581,919	575,602	1,069,947	1,081,103
Non-aviation business	509,658	503,661	936,790	1,089,885
Total revenue	**1,091,577**	**1,079,263**	**2,006,737**	**2,170,988**
Net loss for the period/year attributable to Shareholders	**(66,879)**	**(70,202)**	**(278,997)**	**(381,444)**
Add: Compensation for the Arbitration Case (as defined below)	–	–	–	205,929
Adjusted net (loss)/profit for the period/year attributable to Shareholders	**(66,879)**	**(70,202)**	**(278,997)**	**(175,515)**

FY2025 as compared to FY2024

The revenue of the Group from aviation business slightly decreased from approximately RMB1,081.1 million for FY2024 to approximately RMB1,069.9 million for FY2025, representing a decrease of approximately 1.0%. Such decrease was mainly due to a reduction in revenue per movement resulting from a decrease in the number of wide-body aircrafts, combined with the year-on-year decrease of aircraft take-offs and landings by approximately 0.5%.

The revenue of the Group from non-aviation business decrease from approximately RMB1,089.9 million for FY2024 to approximately RMB936.8 million for FY2025, representing a decrease of approximately 14.05%. Such decrease was mainly due to the decrease in franchise income and rental income by approximately 14.0% and 15.5%, respectively, due to the decreased franchise income from duty-free, advertising and other businesses at Meilan Airport and the decreased rental income linked to stores' sales amounts, amid changes in passenger consumption behaviour and demand.

The Group recorded adjusted net loss attributable to Shareholders of approximately RMB279.0 million for FY2025, representing an increase by approximately RMB103.5 million as compared to that of approximately RMB175.5 million for FY2024. Such increase was primarily attributable to a decrease in the Group's total revenue by approximately RMB164.3 million, which was partially offset by a reduction in finance expenses of RMB31.9 million and one-off non-operating income of approximately RMB43.6 million from insurance compensation and other sources.

HY2026 as compared to HY2025

The revenue of the Group from aviation business slightly increased from approximately RMB575.6 million for HY2025 to approximately RMB581.9 million for HY2026, representing an increase of approximately 1.1%. This increase was mainly due to Meilan Airport's ongoing optimisation of its route network layout, leading to a stronger performance in the international and regional passenger markets and year-on-year increases in the number of aircraft take-offs and landings and passenger throughput.

The revenue of the Group from non-aviation business slightly increased from approximately RMB503.7 million for HY2025 to approximately RMB509.7 million for HY2026, representing an increase of approximately 1.2%. Such increase was primarily attributable to Meilan Airport's efforts to expand its presence in the air cargo market, optimise its services for international transit passengers and enhance of its duty-free brand offerings, which led to year-on-year increases in freight and packaging income, hotel income and VIP room income.

The Group recorded adjusted net loss attributable to Shareholders of approximately RMB66.9 million for HY2026, representing a decrease by approximately RMB3.3 million as compared to that of approximately RMB70.2 million for HY2025. Such decrease in net loss was mainly due to the combined effect of (i) Meilan Airport's ongoing optimisation of its route network layout and its efforts to seize opportunities in the cargo market which led to a slight year-on-year increase in total revenue; and (ii) the Company's strengthening of its cost and expense controls and implementation of initiatives to improve per-capita efficiency, which resulted in year-on-year decreases in certain costs and expenses.

Set out below is a summary of consolidated financial position of the Group as at 31 December 2024, 31 December 2025 and 30 June 2026 as extracted from the 2025 Annual Report and the 2026 Interim Report respectively:

	As at 30 June 2026 *(unaudited)* *RMB'000*	**As at 31 December 2025** *(audited)* *RMB'000*	**As at 31 December 2024** *(audited)* *RMB'000*
Total Assets	11,218,154	9,918,304	10,982,577
Total Liabilities	7,456,844	6,115,832	6,931,325
Net Assets	3,761,310	3,802,472	4,051,252
Gearing ratio*Note 1*	66.5%	61.7%	63.1%

Note 1: The gearing ratio was calculated by dividing the Group's total liabilities by its total assets.

As at 31 December 2025, the total assets of the Group mainly consisted of fixed assets, investment properties and intangible assets, which in total amounted to approximately RMB8,801.2 million, representing approximately 88.7% of the total assets of the Group. The total assets of the Group decreased by approximately 9.7% from approximately RMB10,982.6 million as at 31 December 2024 to approximately RMB9,918.3 million as at 31 December 2025. Such decrease was mainly attributable to the depreciation on right-of-use assets and fixed assets and amortization of intangible assets, as well as the rental payments made by the Group to Haikou Meilan International Airport Co., Ltd. ("**Haikou Meilan**") (a former controlling shareholder of the Company).

As at 31 December 2025, the total liabilities of the Group mainly consisted of construction fee payable for construction project at Meilan Airport, current accounts payable to Haikou Meilan, sale and lease back payable for leased fixed assets, and borrowings, which in total amounted to approximately RMB4,888.2 million, representing approximately 79.9% of the total liabilities of the Group. Total liabilities of the Group decreased by approximately 11.8% from approximately RMB6,931.3 million as at 31 December 2024 to approximately RMB6,115.8 million as at 31 December 2025, which was mainly attributable to the decrease in lease liabilities and reduction of construction fee payables and warranty of approximately RMB209.4 million upon settlement.

As at 30 June 2026, the total assets of the Group mainly consisted of fixed assets, investment properties and right-of-use assets, which in total amounted to approximately RMB8,690.80 million, representing approximately 77.47% of the total assets of the Group. The total assets of the Group increased by approximately 13.1% from approximately RMB9,918.3 million as at 31 December 2025 to approximately RMB11,218.2 million as at 30 June 2026. The increase was mainly attributable to the recognition of right-of-use assets under a new asset lease agreement (the "**New Asset Lease Agreement**") with Haikou Meilan, which increased the size of the Group's assets. Under the New Asset Lease Agreement, Haikou Meilan agreed to continue leasing to the Company the relevant operational and supporting assets held by it at Meilan Airport Phase I and Phase II, with a lease term of three years commencing on 1 January 2026 and an annual rental fee of approximately RMB458 million.

As at 30 June 2026, the total liabilities of the Group mainly consisted of borrowings, lease liabilities, current accounts payable to Haikou Meilan, and construction fee payable for construction projects at Meilan Airport, which in total amounted to approximately RMB5,133.6 million, representing approximately 68.84% of the total liabilities of the Group. Total liabilities of the Group increased by approximately 21.9% from approximately RMB6,115.8 million as at 31 December 2025 to approximately RMB7,456.8 million as at 30 June 2026. Such increase was mainly attributable to the recognition of lease liabilities under the New Asset Lease Agreement entered into with Haikou Meilan, as well as an increase in long-term bank borrowings.

(b) Information of Hainan Airport Development and Hainan Airport Infrastructure

Hainan Airport Development is an investment holding company in the areas including airport operation management, real estate, architecture design and consultation. It is also engaged in the operation management of two hotels through its branches. It is wholly-owned by Hainan Airport Infrastructure.

Hainan Airport Infrastructure is a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange, with stock code 600515.SH. Hainan Airport Infrastructure is principally engaged in airport management, duty free and commercial property operation, real estate, property management and hotel businesses. The substantial shareholders of Hainan Airport Infrastructure are Hainan Airport Group (which is the single largest shareholder of Hainan Airport Infrastructure) and HNA Foundation Holding Group Co., Ltd. (海航基礎控股集團有限公司) (holding approximately 24.87% and 19.69% interests respectively). Hainan Airport Group is wholly owned by Hainan Development Holdings, which is in turn controlled by the Hainan SASAC. HNA Foundation Holding Group Co., Ltd. is ultimately controlled by CITIC Limited, a company listed on the Stock Exchange (stock code: 267) and primarily engaged in comprehensive financial services, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanisation.

(c) Information of Hainan Airport Holdings

Hainan Airport Holdings is a limited liability company incorporated under the laws of the PRC on 31 October 2003. As at the Latest Practicable Date, it was owned as to 63.25% by Hainan Airport Investment and Operation Management Co., Ltd.* (海南空港投資運營管理有限公司, which was owned as to approximately 86.48% by Hainan Airport Development), 12.25% by Hainan Airport Development, and 24.5% by Ruigang Logistics. It is a shareholding platform for the equity interest in Sanya Phoenix, Dongying Shengli and Yichang Sanxia.

Set out below is a summary of the audited consolidated financial information of Hainan Airport Holdings for FY2024 and FY2025 as extracted from the audited report of Hainan Airport Holdings for FY2025 and the unaudited consolidated financial information of Hainan Airport Holdings for HY2025 and HY2026 as extracted from the management account of Hainan Airport Holdings for HY2026:

	HY2026	**HY2025**	**FY2025**	**FY2024**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aviation business	404,503	387,856	712,880	678,891
Non-aviation business	508,046	485,546	884,362	942,696
Total revenue	**912,549**	**873,402**	**1,597,242**	**1,621,587**
Net profit for the period/year attributable to shareholders	**146,091**	**128,107**	**127,096**	**127,904**

For the period from FY2024 to HY2026, Hainan Airport Holdings, revenue mainly sourced from aviation business and non-aviation business of its non-wholly owned subsidiary, Sanya Phoenix. Sanya Phoenix is the operating company for the operation of Sanya Phoenix International Airport ("**Sanya Airport**"), an airport located in Sanya of Hainan Province.

* *For identification purposes only*

FY2025 as compared to FY2024

The revenue of Hainan Airport Holdings from aviation business increased from approximately RMB678.9 million for FY2024 to approximately RMB712.9 million for FY2025, representing an increase of approximately 5.0%. Such increase was mainly due to increase in passenger throughput and flight movements at Sanya Airport.

The revenue of Hainan Airport Holdings from non-aviation business decreased from approximately RMB942.7 million for FY2024 to approximately RMB884.4 million for FY2025, representing a decrease of approximately 6.2%. Such decrease was mainly due to the decrease in rental income, management fee and franchise income by an amount of approximately RMB48.3 million, reflecting a reduction in sales commissions due to factors including lower merchant revenues and reduced customer traffic at stores, as well as decreased revenue from duty-free store related operations.

Hainan Airport Holdings recorded net profit attributable to shareholders for FY2025 remained stable as compared to that for FY2024, with the amounts for both years staying above approximately RMB127 million.

HY2026 as compared to HY2025

The revenue of Hainan Airport Holdings from aviation business increased from approximately RMB387.9 million for HY2025 to approximately RMB404.5 million for HY2026, representing an increase of approximately 4.3%. Such increase was mainly due to increase in passenger throughput and flight movements at Sanya Airport.

The revenue of Hainan Airport Holdings from non-aviation business increased from approximately RMB485.5 million for HY2025 to approximately RMB508.0 million for HY2026, representing an increase of approximately 4.6%. Such increase was mainly due to an increase in the revenue of special vehicles and aircraft service fee within ground service revenue, as well as an increase in the consulting service fee.

Hainan Airport Holdings recorded net profit attributable to shareholders of approximately RMB146.1 million for HY2026, representing an increase of approximately RMB18.0 million as compared to that of approximately RMB128.1 million for HY2025. Such increase was mainly due to provision of receivables from airport advisory fee.

Set out below is a summary of consolidated financial position of Hainan Airport Holdings as at 31 December 2024 and 2025 as extracted from the audited reports of Hainan Airport Holdings for FY2025, and as at 30 June 2026 as extracted from the management accounts of Hainan Airport Holdings for HY2026:

	As at 30 June 2026	**As at 31 December 2025**	**As at 31 December 2024**
	(unaudited)	*(audited)*	*(audited)*
	RMB'000	*RMB'000*	*RMB'000*
Total Assets	13,761,164	12,950,577	12,767,683
Total Liabilities	9,934,345	9,501,077	9,708,950
Net Assets	3,826,819	3,449,500	3,058,733
Gearing ratio*Note 1*	72.2%	73.4%	76.0%

Note 1: The gearing ratio was calculated by dividing Hainan Airport Holdings' total liabilities by its total assets.

As at 31 December 2025, the total assets of Hainan Airport Holdings mainly consisted of cash and bank balances, long-term equity investment, investment properties, fixed assets and intangible assets and trade and other receivables, which in total amounted to approximately RMB12,825.4 million, representing approximately 99.0% of the total assets of Hainan Airport Holdings. The total assets of Hainan Airport Holdings increased by approximately 1.4% from approximately RMB12,767.7 million as at 31 December 2024 to approximately RMB12,950.6 million as at 31 December 2025. Such increase was mainly attributable to the increase in current account receivables due from related parties.

As at 31 December 2025, the total liabilities of Hainan Airport Holdings mainly consisted of trade and other payables, principal and interest of short-term borrowings and long-term borrowings, which in total amounted to approximately RMB9,190.9 million, representing approximately 96.7% of the total liabilities of Hainan Airport Holdings. Total liabilities of Hainan Airport Holdings decreased by approximately 2.1% from approximately RMB9,709.0 million as at 31 December 2024 to approximately RMB9,501.1 million as at 31 December 2025. Such decrease was mainly attributable to the decrease in long-term borrowings of approximately RMB417.8 million upon settlement.

As at 30 June 2026, the total assets of Hainan Airport Holdings mainly consisted of cash and bank balances, right-of-use assets, long-term equity investment, investment properties, fixed assets and intangible assets, and trade and other receivables, which in total amounted to approximately RMB13,645.5 million, representing approximately 99.2% of the total assets of Hainan Airport Holdings. The total assets of Hainan Airport Holdings increased by approximately 6.3% from approximately RMB12,950.6 million as at 31 December 2025 to approximately RMB13,761.2 million as at 30 June 2026. Such increase was mainly attributable to the increase in cash and cash equivalents of approximately RMB549.2 million for HY2026 due to the bond newly issued by Sanya Phoenix in an amount of approximately RMB500.0 million.

As at 30 June 2026, the total liabilities of Hainan Airport Holdings mainly consisted of trade and other payables, principal and interest of short-term borrowings and long-term borrowings, as well as principal and interest of bond payables, which in total amounted to approximately RMB9,465.2 million, representing approximately 95.3% of the total liabilities of Hainan Airport Holdings. Total liabilities of Hainan Airport Holdings increased by approximately 4.6% from approximately RMB9,501.1 million as at 31 December 2025 to approximately RMB9,934.3 million as at 30 June 2026. Such increase was mainly attributable to the bond newly issued by Sanya Phoenix in an amount of approximately RMB500.0 million in HY2026.

2. Reasons for and benefits of the Disposal

The Group is principally engaged in aeronautical and non-aeronautical businesses at Meilan Airport, in Hainan Province, the PRC. Meanwhile, Hainan Airport Holdings principally acts as an investment holding company of operating companies for three airports located in Hainan Province, Hubei Province and Shandong Province, respectively, with majority of the income and assets of Hainan Airport Holdings contributed by operations of Sanya Airport, an airport located in Sanya of Hainan Province.

As mentioned in the Letter from the Board, the equity interest in Hainan Airport Holdings as held by Ruigang Logistics is an investment asset of lower relevance to the Group's core business. The Disposal allows the Group to divest its non-core assets and focus resources on core airport operations. Further, the proceeds from the Disposal will be applied towards the repayment of the Group's indebtedness, reducing interest-bearing debt and finance costs, and are expected to improve the Group's financial positions.

As stated in the 2025 Annual Report, Meilan Airport will actively explore and precisely focus its efforts, and make every effort to fully complete various major support tasks, continuously improve operational efficiency, contributing to further advancements in airport operational safety and efficiency. The Disposal supports this strategic direction, by optimising the Group's overall operation and sharpening the focus and strategic positioning of the airport business.

Apart from enhanced management efficiency and improved financial position at group level, the Disposal represents an opportunity for the Group to unlock and realise part of the value embedded in its investment in Hainan Airport Holdings with an increase in net assets of the Group of approximately RMB133.48 million.

Furthermore, the Disposal may realise part of investment value, which in turn enable the Group to still retain partial equity interest in Hainan Airport Holdings upon completion of the Disposal, thereby helps preserve the Group's continued participation in the strategic and economic benefits arising from Hainan Airport Holdings' portfolio of airport assets and thus strikes a balance between realising near-term return for the Shareholders and retaining the Company's long-term exposure to the growth potential of the airport operations under Hainan Airport Holdings, in particular, Sanya Airport. In early 2026, Sanya Airport commenced trial operations of its newly developed Terminal 3, further enhancing the Sanya Airport's operational capacity. The addition of Terminal 3 positions Sanya Airport to achieve an annual passenger throughput of 30 million, reinforcing its role as a key transport hub within the Hainan Free Trade Port. The terminal's opening is expected to support Sanya Airport to release its potential and strengthen its long-term value creation for the Group's retained investment in Hainan Airport Holdings.

The growth potential of Hainan Airport Holdings is further supported by ongoing government initiatives and local economic environment. On 18 December 2025, the Special Customs Operations at the Hainan Free Trade Port were officially launched. This operation will implement a "first-line opening, second-line control, in-island free movement (一線放開、二線管住、島內自由)" regulatory model. "First-line opening" designates the boundary between Hainan and other countries/regions outside China as the "first line", implementing a series of free and facilitated entry-exit measures to ensure smoother global connectivity for Hainan "Second-line control" manages precisely the flow of goods between Hainan and Mainland China; and "In-island free movement" ensures the relatively free flow of various production factors within Hainan Province. Before the official launch of the Special Customs Operations, throughout 2021 to 2025, Hainan has achieved average annual gross regional products growth of 7.6%. These ongoing government policy with favourable economic environment may support the outlook for civil aviation traffic in Hainan Province, as well as the development of Sanya Airport in which the Group will hold exposure through its retained equity interest in Hainan Airport Holdings upon completion of the Disposal.

Having considered the above, we are of the view that the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Equity Transfer Agreement

Date

21 August 2026

Parties

(1) Ruigang Logistics; and

(2) Hainan Airport Development

Subject matter

Pursuant to the Equity Transfer Agreement, Ruigang Logistics shall sell, and Hainan Airport Development shall acquire, the Target Equity Interest (including ownership and the ancillary rights and obligations associated with the Target Equity Interest).

Target Equity Interest

The Target Equity Interest represents 6% of the total equity interest in Hainan Airport Holdings.

Consideration, pricing basis and payment terms

Pursuant to the Equity Transfer Agreement, the total consideration payable by Hainan Airport Development to Ruigang Logistics for the transfer of the Target Equity Interest is RMB109,064,207.28 (the "**Consideration**"), which is determined on normal commercial terms and arrived at after arm's length negotiations based on the appraised value of the Target Equity Interest of RMB109,064,207.28 as at the valuation benchmark date (being 31 December 2025), according to the valuation conducted by an independent valuer using the asset-based approach.

Within 30 business days after the effective date of the Equity Transfer Agreement, and irrespective of whether the registration of commercial change in the Target Equity Interest to the name of Hainan Airport Development has been completed, Hainan Airport Development shall pay the Consideration to Ruigang Logistics in a single lump-sum payment by way of bank transfer.

Conditions Precedent

Completion of the Equity Transfer Agreement is conditional upon the following conditions:

(i) the appraised result of the Target Equity Interest under the asset valuation report obtaining filing with Hainan Development Holdings *(Note)*;

(ii) the parties obtaining respective internal authorisation and approval in accordance with their respective articles of association;

(iii) the transaction being approved by Hainan Development Holdings or its authorised decision-making body *(Note)*; and

(iv) the Equity Transfer Agreement and the transaction are approved by the general meeting of the Company.

As at the Latest Practicable Date, conditions (ii) and (iii) above had been satisfied.

Note: conditions (i) and (iii) above are made pursuant to the applicable state-owned assets supervision laws and regulations.

Completion

Both parties shall coordinate and procure Hainan Airport Holdings to attend to, within 30 business days after the effective date of the Equity Transfer Agreement, the registration of commercial change as well as the filing procedures in respect of the transfer of the Target Equity Interest with the competent corporate registration authority(ies). Each party shall render such assistance and cooperation as may be necessary.

From the delivery date (being the date on which the registration of commercial change for the transfer of the Target Equity Interest to the name of Hainan Airport Development is completed), the Target Equity Interest shall belong to Hainan Airport Development, and Hainan Airport Development shall succeed to all shareholder rights and obligations of Ruigang Logistics corresponding to the Target Equity Interest.

All profits or losses arising from the Target Equity Interest during the transitional period (being the period between the valuation benchmark date and the delivery date) shall be enjoyed or borne by Hainan Airport Development. Any accumulated undistributed profits of Hainan Airport Holdings (if any) prior to the delivery date shall be shared among the shareholders of Hainan Airport Holdings in proportion to their respective shareholdings after the delivery date.

Upon completion of the Disposal, the equity interest of Ruigang Logistics in Hainan Airport Holdings will decrease from approximately 24.5% to approximately 18.5%. Hainan Airport Holdings is not, and will not be, a subsidiary of the Group prior to and after the Disposal.

For other principal terms of the Equity Transfer Agreement, please refer to the Letter from the Board.

4. Valuation of Hainan Airport Holdings

The independent valuer, Beijing YaChao Assets Appraisal Co., Ltd. (an independent valuation firm qualified in the PRC), has conducted an independent valuation using the asset-based approach. The subject of the valuation is the market value of the Target Equity Interest, which is calculated as 6% of the appraised value of the entire owners' equity of Hainan Airport Holdings as at the valuation benchmark date (being 31 December 2025). Beijing YaChao has obtained Hainan Airport Holdings' financial statements as at the valuation benchmark date and conducted the valuation with reference to such statements. Beijing YaChao issued an asset valuation report on 12 June 2026 (the "**Valuation Report**") and the useful life of the valuation conclusion is one year from the valuation benchmark date.

As set out in the Valuation Report, the appraised value of the entire owners' equity of Hainan Airport Holdings as at the valuation benchmark date (being 31 December 2025) is RMB1,817,736,800 and the valuation of the Target Equity Interest is RMB109,064,207.28.

Scope of work and qualifications of the Valuer

In compliance with the requirements of Rule 13.80 of the Listing Rules, we have interviewed Beijing YaChao, and noted that Beijing YaChao has possessed sufficient qualifications and experience in valuing equity interest under equity transfer agreements in the PRC over the years. Meanwhile, we have reviewed the scope of services provided under the engagement of Beijing YaChao and we noted that the scope of work is appropriate to the opinion given and, as confirmed by Beijing YaChao during our enquiry, there were no limitations on the scope of work. We have also made inquiry on any current or prior relationship between Beijing YaChao and the Group, Hainan Airport Development and their core connected persons which Beijing YaChao has confirmed their independence.

Valuation assumptions and methodology

We have reviewed the Valuation Report prepared by Beijing YaChao and we have also discussed with Beijing YaChao regarding the methodology and principal basis and assumptions adopted for the valuation of Hainan Airport Holdings.

We understand that the assumptions adopted by Beijing YaChao include (i) all assets subject to evaluation are assumed to be in the process of being transacted in an open market where parties of equal footing have sufficient opportunity and time to obtain sufficient market information so as to make rational judgments on the function, use and transaction price of the assets; (ii) both the evaluated entity and its assets are assumed to continue to operate on a going concern basis in a manner consistent with their current business scope and mode of operations management model, while remaining capable of timely adjustment in response to market developments and advances in science and technology; (iii) there will be no material changes in the socio-economic environment, applicable laws, regulations, policies, lending rates or tax rates, and no force majeure or unforeseeable events will occur after the valuation benchmark date that would cause any material adverse impact on the evaluated entity; and (iv) all information and materials provided by the client and the evaluated entity are true, complete and reliable, the declared assets and liabilities are free from any title or economic disputes, and the evaluated entity's operations are conducted in compliance with applicable laws and regulations.

We understand that the assumptions including equal footing transaction under open market, going concern, macro-environmental stability and reliability of information are common assumptions applied for equity interest valuations in the PRC. The assumption of equal footing transaction under open market is in line with the context of the Disposal which is to be conducted on an arm's length basis between Ruigang Logistics and Hainan Airport Development. With respect to the going concern assumptions, we note that Hainan Airport Holdings and its principal subsidiaries, including Sanya Phoenix, are active operating entities with ongoing airport operations thereunder and solid financial position. With respect to the macro-environmental stability assumption, there were no material adverse events identified for surrounding regulatory, tax and lending rate environment for Hainan Airport Holdings at the valuation benchmark date of 31 December 2025. Based on our discussion with Beijing YaChao, our review of relevant documents in relation to Hainan Airport Holdings and our analysis of the assumptions above, we are of the view that the assumptions are fair and reasonable.

Regarding valuation methodology, we understand that the common valuation approaches are market approach, income approach and asset-based approach. We further understand from Beijing YaChao that the adoption of market approach may not be appropriate. It is because Hainan Airport Holdings operates primarily as an investment holding vehicle for multiple airports of different operational scales, of which the value predominantly derived from its equity interests held, rather than its own earning capacity, and its direct comparable of similar nature is not readily available in the market. The market approach is also constrained by multiple factors including fluctuation in capital market expectation and changing investor risk appetite. Additionally, comparable listed entities in the PRC may not reflect the capital and regulatory environment applicable to a company held by the Company as an entity listed in Hong Kong, thereby limiting the relevance of such comparable. Similarly, we understand from Beijing YaChao that the adoption of income approach may not be appropriate given Hainan Airport Holdings' role. Hainan Airport Holdings as a passive holding vehicle, has no direct business activities and its income solely relies on dividend distributions received from its subsidiaries and associated companies. Apart from that, as the performance of the airports held by Hainan Airport Holdings is subject to multiple external variables, it is not practicable to make long-term, stable and verifiable projections of their future financial performance. In view of the asset-based approach being able to reflect the fair market value of the assets of the evaluated entity from an asset replacement perspective, the relevant assets and liabilities of Hainan Airport Holdings are capable of being subject to direct verification through physical inspection procedures, and the abovementioned limitations of other common valuation approaches, Beijing YaChao adopted the asset-based approach for this valuation.

We have assessed the suitability of each valuation approach and considered factors beyond those discussed with Beijing YaChao above. With respect to the market approach, we noted that Hainan Airport Holdings primarily operates as a multi-airport investment holding vehicle in particular for Sanya Phoenix, Dongying Shengli and Yichang Sanxia. We understand that, unlike resource or manufacturing-based businesses which may source inputs or distribute outputs across multiple geographic markets, airport operations are inherently location-specific in nature, as their performance is fundamentally driven by the regional economic conditions, population demographics, tourism patterns and business activities of the catchment area in which each airport is physically situated. Accordingly, while there are publicly listed airport operators in the PRC, such entities are materially subject to their own distinct regional environments and passenger traffic dynamics, which may differ from those applicable to the specific portfolio of airports held by Hainan Airport Holdings across Hainan, Shandong and Hubei provinces. The operating profile and growth prospects of each airport are therefore not readily transferable or comparable across different geographic contexts. As such, we concur that the market approach would not yield a representative valuation in this context as compared to the asset approach. With respect to the income approach, we note that Hainan Airport Holdings, as a passive holding vehicle, relies solely on dividend distributions from its subsidiaries and associated companies, which are inherently discretionary and contingent on the underlying operational performance of each individual airport. Such performance is in turn subject to multiple external variables including passenger traffic trends, regulatory changes and macroeconomic conditions, rendering reliable long-term projections not practicable. In contrast, the asset-based approach is directly grounded in the fair market value of identifiable and verifiable assets and liabilities, while neither subject to the subjective long-term assumptions underlying the income approach nor to the limitations of peer analysis with reference to airport operators of different geographic characteristics under the market approach. Having considered the above, we are of the view that the adoption of the asset-based approach provides a more grounded basis for evaluating the economic substance of the equity interests in Hainan Airport Holdings, and is therefore fair and reasonable.

Details of the valuation

We have reviewed the Valuation Report and discussed with Beijing YaChao regarding their methodology and procedures employed in determining valuations for specific asset categories. We understand from the application of the asset-based approach by Beijing YaChao involved classification of Hainan Airport Holdings' assets and liabilities into discrete categories.

Hainan Airport Holdings' role as an investment holding vehicle means its principal assets are long-term equity investments, representing shareholdings in its subsidiaries and associated companies. Hainan Airport Holdings' direct subsidiary, Sanya Phoenix, itself maintains substantial long-term equity investments in various investee entities, comprising its subsidiaries and associated companies. Consistent with this structure, the long-term equity investments are classified into non-controlling and controlling long-term equity investments.

For controlling long-term equity investments of Hainan Airport Holdings (i.e. direct and indirect subsidiaries of Hainan Airport Holdings including Sanya Phoenix), the valuation methodology was layered. The fair value of each investee's entire equity was based on asset-based approach and determined through assessment of its individual assets and liabilities, with such valuations subsequently adjusted by application of Hainan Airport Holdings' proportionate ownership interest to establish the corresponding investment value. Such approach enables that the resulting valuation of Hainan Airport Holdings reflects both the consolidated net asset position of Hainan Airport Holdings and its subsidiaries, as well as Hainan Airport Holdings' equity interests in its investment portfolio.

For non-controlling long-term equity investments of Hainan Airport Holdings including equity interests in Yichang Sanxia and Dongying Shengli, they represented investments in associated companies which were appraised based on their net assets value and the shareholding held by Hainan Airport Holdings.

We understand that Beijing YaChao's differentiated approach for valuation of controlling and non-controlling long-term equity investments reflects established PRC valuation standards and industry recommended practices. As advised by Beijing YaChao, the valuation approach of appraising non-controlling long-term equity investments held by Hainan Airport Holdings (including equity interests in Yichang Sanxia and Dongying Shengli), on the basis of their net assets value and the shareholding, is based on the Article 38 of the Practice Standard for Asset Valuation – Enterprise Value (《資產評估執業準則—企業價值》(中評協[2018]38號)) and technical discussion from the Jiangsu Provincial Asset Valuation Industry Professional Technical Mentor Panel – Answers to Practice Questions (No. 23) (《江蘇省資產評估行業專業技術導師團執業問題解答(二十三)》), both of which address the valuation of long-term equity investments, details of which are set out in the section headed "(VII) Circumstances of Restricted Valuation Procedures, Remedial Measures Taken by the Asset Valuation Institution, and Impact on the Valuation Conclusion" in the asset valuation report in Appendix I to the Circular. We further understand from Beijing YaChao that the above technical discussion by provincial panel in Jiangsu is applicable to valuation across the PRC. Based on our independent review, we did not identify any limitation in the discussion confining it to a regional level, nor any national authoritative technical guidance inconsistent with its conclusions. We therefore concur with Beijing YaChao that the discussion is applicable to the Valuation Report. In addition, we have identified five transactions involving PRC-incorporated target companies with operations in the PRC, in which the appraised values of non-controlling interests were likewise based on net asset value and shareholding. These five transactions were all publicly disclosed on the website of the Stock Exchange, with the most recent transaction published in a circular in July 2026. Having reviewed these authoritative and public sources, with our own independent analysis, we consider that the valuation methodology is in line with established PRC valuation standards and industry recommended practices.

Upon comparison, the appraised value of the current 24.5% equity interest in Hainan Airport Holdings of approximately RMB445 million represented an appreciation, as compared to the carrying value of such equity interest of approximately RMB312 million in the Company's consolidated financial statements as at 30 June 2026. This appreciation is primarily attributable to the both methodological and substantive factors: (i) the Group's use of the equity method on the equity interest in Hainan Airport Holdings for accounting purposes is limited in nature, adjusting the original investment cost for the Group's share of subsequent profits or losses but remaining unreflective of all fair value changes in underlying net assets; and (ii) Hainan Airport Holdings' portfolio of airport-related assets including land use rights, buildings and structures is appreciative in value due to regional economic development and cost inflation. With the abovementioned appreciation reflected through fair value measurement rather than being fully captured by accounting treatments, the resulted valuation is higher than the carrying value recorded by the Group.

Further details of the valuation are set out below:

(i) Current assets

Hainan Airport Holdings' current assets (including underlying current assets held through controlling long-term equity investments) mainly comprised cash and cash equivalents, trade and other receivables, prepayments, inventories and value added tax receivables.

For cash and cash equivalents, the appraisal of the valuation included physical cash counting procedures, bank statements review and cross-checking on reconciliation schedules.

For trade and other receivables, the valuation was appraised based on recoverable amounts. Non-recoverable amounts were estimated through analysis on aging and historical recoverability of the receivables.

For prepayments, the valuation was derived from assessment of the expected receipt of respective goods and contractual rights. Beijing YaChao's verification procedures encompassed enquiry into the nature of individual prepayments, direct confirmation with relevant counterparties, and review of underlying contractual documentation. Additionally, Beijing YaChao assessed the operational standing and credit quality of the obligated parties to evaluate the probability of satisfactory fulfilment of the prepaid goods and services.

For inventories, such assets were mainly fuels, materials and consumables for airport operations. Their valuation is based on the relevant costs and expenses incurred during purchase, supplement with documentary review encompassing receipt documentation, delivery records and storage verification. Beijing YaChao further performed physical stock counting and quality inspection to assess operational condition and utility of the inventory.

For valued added tax receivables, Beijing YaChao verified the applicable tax rates and calculation methodologies, and cross-referenced recorded amounts against filed tax documents and payment vouchers. Following verification, the value added tax receivables were valued at their verified book amounts.

(ii) Non-current assets

Hainan Airport Holdings' non-current assets (including underlying non-current assets held through controlling long-term equity investments) mainly comprised, fixed assets, land-use rights and intangible assets which were valued based on replacement cost method; and non-controlling long-term equity investment, other equity instrument investments, investment properties, right-of-use assets, construction-in-progress, long-term deferred expenses, deferred tax assets and prepayment for construction projects which were valued based on book values re-assessed by Beijing YaChao.

For fixed assets, such assets were mainly building, structures, machinery and equipment for airport operations. To appraise the fixed assets based on replacement cost method, Beijing YaChao took into account the present status of the assets and the cost to be incurred to replicate such assets at the respective location and current price level. Beijing YaChao reviewed construction records, legal documentation and specifications, supplemented by physical inspection to assess ownership, functional utility and physical condition of the fixed assets.

For the land-use rights, such assets were mainly related to land for airport, infrastructure and green belt and valued by the benchmark land price coefficient correction method according to the land market conditions in each region. Under the benchmark land price coefficient correction method, Beijing YaChao referred to the latest benchmark land price established by the local government and adjusted the land price based on analysis of various factors affecting the land price observed by physical inspection.

Intangible assets mainly included software systems purchased and shared within Hainan Airport Holdings of which the appraised values of replacement costs were determined with reference to the market price of such software.

For the remaining non-current assets set out below, Beijing YaChao has checked to the underlying documents and conditions of the assets and appraised them based on book values as appropriate and details of the re-assessment procedures were as follows:

For non-controlling long-term equity investments of Hainan Airport Holdings including equity interests in Yichang Sanxia and Dongying Shengli, they represented investments in associated companies which were appraised based on their net assets value and the shareholding of Hainan Airport Holdings.

For other equity instrument investments, such assets were mainly listed securities and share of trusts. Beijing YaChao has assessed the market price of listed securities on the valuation benchmark date and trust related documents to verify the book values.

For investment properties, such assets were mainly commercial complexes at Sanya Airport held for rental purpose and valued based on book value. The book value was derived from property valuation reports and assessment procedures by Beijing YaChao encompassed review of construction records, legal documentation and specifications, supplemented by physical inspection to assess ownership, functional utility, physical condition of the investment properties.

For right-of-use assets, such assets were mainly the leased Terminal 3 and airport staff quarters. Beijing YaChao's assessment encompassed detailed review of lease agreement terms, including the permitted use of leased assets and lease maturity dates, to assess the value of the right-of-use assets.

For construction-in-progress, such asset comprised principally ongoing construction projects at Sanya Airport. Beijing YaChao's assessment procedures encompassed on-site inspection of construction activities, cross-referenced against accounting records, construction agreements, and construction status reports to corroborate the recorded construction costs and project advancement. Construction-in-progress amounts noted to be recognised in existing fixed assets were valued at nil to preclude double-counting of asset values in respect of the same underlying assets.

For long-term deferred expenses, such assets were mainly urban infrastructure fees taxed by local government for the infrastructure development in relation to the land and building used by Hainan Airport Holdings and the costs for refurbishment projects. Beijing YaChao selected and checked the original documents including accounting vouchers, contracts and invoices to verify the book value.

For the deferred tax assets, Beijing YaChao has reviewed the tax and accounting documents to assess the rationality and calculation of the deferred tax amounts.

For prepayments for construction projects, Beijing YaChao has checked the equipment purchase contracts, and other relevant information to assess the recorded prepayment amounts.

(iii) Liabilities

Hainan Airport Holdings' liabilities (including underlying liabilities held through controlling long-term equity investments) mainly included short-term borrowings, trade and other payables, advanced payment, employee compensation payables, taxes payables, contract liabilities, lease liabilities, long-term borrowings, deferred income and deferred tax liabilities. Beijing YaChao had verified the book value based on the details and relevant financial information provided by Hainan Airport Holdings.

We have reviewed basis of key inputs for assets and liabilities according to their specific nature. For non-controlling long-term equity investments, our review included verification of the net asset values against the audited financial statements of the relevant entities and cross-checking of the shareholding registration to corroborate the attributable interest of Hainan Airport Holdings. For assets and liabilities under controlling long-term equity investments, our review included evaluation of the underlying calculation schedules and detailed discussion with Beijing YaChao on the key inputs, including the rationale for the selection of book value, acquisition cost or re-construction cost as the applicable basis of replacement cost for each asset and liability category, the sources of pricing data adopted for cost benchmarking, the basis for determining economic lives and the corresponding depreciation, and the extent of ancillary cost components such as finance costs and tax expenses incorporated in the derivation of replacement cost. We noted that authoritative sources were referenced by the Valuer for selection of key inputs, including producer price index and standard land price published by PRC government, benchmark economic lives for different categories of assets according to a reference manual widely adopted in the valuation profession of which the publisher is under supervision of Chinese Academy of Sciences (中國科學院), and Mandatory Vehicle Scrappage Standards* (《機動車強制報廢標準》) established by the PRC government. We understand that these inputs are commonly used in the valuation practice for replacement cost approach. Having considered the above and based on our review and enquiries, nothing has come to our attention that would cause us to doubt the fairness and reasonableness of the key valuation inputs adopted by Beijing YaChao for the purpose of our assessment.

Following our discussions with Beijing YaChao and our analysis, including (i) our assessment of Beijing YaChao's professional expertise and independence; (ii) our review of the terms of engagement and the appropriateness of the scope of work performed; and (iii) our examination of the selected valuation approach, key assumptions, adjustments, and supporting evidence, we are of the view that the valuation has been conducted in line with industry practice.

* *For identification purposes only*

Market Comparable Analysis

To evaluate the fairness and reasonableness of the consideration of the Disposal and perform independent assessment on the valuation conducted by Beijing YaChao with alternative valuation method, we have considered price-to-earnings multiple ("**P/E**") analysis and price-to-book multiple ("**P/B**") analysis, which are commonly adopted approaches in assessing valuation benchmarks, particularly within capital-intensive industries such as airport management and operation services.

Given that Hainan Airport Holdings principally acts as an investment holding company with majority of the income and assets of Hainan Airport Holdings contributed by airport operations in the PRC, we have conducted a search for comparable listed companies which are principally involved in airport-related operational businesses in the PRC which (i) listed in Hong Kong and/or the PRC; and (ii) generated over 50% revenue from airport operations in the PRC in their latest financial year. Based on the above-mentioned selection criteria, we have identified an exhaustive list of five companies (the "**Comparable Company(ies)**") which we consider to be representative of the broader market sector for Hainan Airport Holdings' underlying assets and relevant airport operations.

Set out below is a summary of our findings based on P/E and P/B analysis of the Comparable Companies:

Comparable Companies (Stock Code)	**Principal Business**	**Market Capitalisation *(RMB' million)*** *(Note 1)*	**P/E ratio** *(Note 2)*	**P/B ratio** *(Note 3)*
Beijing Capital International Airport Company Limited (694.HK)	Principally engaged in operating and managing aeronautical and non-aeronautical businesses at Beijing Capital Airport	5,513	N/A *(Note 4)*	0.4
Guangzhou Baiyun International Airport Company Limited (600004.SH)	Principally engaged in aviation services such as aircraft takeoff and landing, parking, passenger services, security checks, and aviation ground support services for aircraft, passengers, cargo, and mail at Guangzhou Baiyun International Airport	21,133	14.4	1.0
Shanghai International Airport Co., Ltd. (600009.SH)	Principally engaged in aeronautical services which directly associated with aircraft, passengers, and cargo services, and non-aeronautical businesses such as commercial leasing, office space rental, check-in counter rental, and freight station operations at Shanghai Pudong International Airport and Shanghai Hongqiao International Airport	60,740	28.7	1.4

Comparable Companies (Stock Code)	**Principal Business**	**Market Capitalisation *(RMB' million)*** *(Note 1)*	**P/E ratio** *(Note 2)*	**P/B ratio** *(Note 3)*
Xiamen International Airport Co., Ltd (600897.SH)	Principally engaged in aeronautical services which directly associated with aircraft, passengers, and cargo services, and non-aeronautical businesses such as commercial leasing, office space rental, check-in counter rental, parking lot operations at multiple airports in Fujian province	5,920	11.4	1.4
Shenzhen Airport Co., Ltd. (000089.SZ)	Principally engaged in aeronautical services which refer to providing aviation ground support and ground handling agency services, and nonaeronautical businesses including aviation logistics, aviation value-added services, and advertising services at Shenzhen Baoan International Airport	13,720	26.1	1.1
		Ratio analysis for the Comparable Companies		
		Maximum	**28.7**	**1.4**
		Minimum	**11.4**	**0.4**
		Average	**20.2**	**1.1**
		Median	**20.3**	**1.1**

Comparable Companies (Stock Code)	Principal Business	Market Capitalisation *(RMB' million)* *(Note 1)*	P/E ratio *(Note 2)*	P/B ratio *(Note 3)*
		Ratio analysis for the Shortlisted Comparable Companies (as defined below)		
		Maximum	**26.1**	**1.4**
		Minimum	**11.4**	**0.4**
		Average	**17.3**	**1.0**
		Median	**14.4**	**1.1**
Hainan Airport Holdings		**1,818** *(Note 5)*	**14.3** *(Note 6)*	**1.4** *(Note 7)*

Sources: website of the Stock Exchange (www.hkex.com.hk), website of Shanghai Stock Exchange (www.sse.com.cn) and website of Shenzhen Stock Exchange (www.szse.cn)

Notes:

1. The market capitalisation of the Comparable Companies is calculated based on the closing share price and latest disclosed number of issued shares of the respective companies as at the Latest Practicable Date. For Hong Kong-listed Comparable Company, the closing share price denominated in Hong Kong Dollars was converted to Renminbi using an exchange rate of RMB0.86 per HK$1.00.

2. The P/E Ratios of the Comparable Companies are calculated based on their respective market capitalisation divided by the net profit attributable to the shareholders of the company as disclosed in their respective latest published annual reports. The market capitalization of the Comparable Companies is calculated based on the closing share price and latest disclosed number of issued shares of the respective companies as at the Latest Practicable Date.

3. The P/B Ratios of the Comparable Companies are calculated based on their respective market capitalisation divided by the net asset value attributable to the shareholders of the company as disclosed in their respective latest published interim results announcements.

4. The P/E ratio is not available for Beijing Capital International Airport Co., Ltd. as it had been loss making during its latest financial year of FY2025.

5. The amount represented the appraised value of the entire shareholders' equity of Hainan Airport Holdings of RMB1,817,736,800 (the "**Appraised Entire Value**") as presented in the asset valuation report in Appendix I to the Circular.

6. The P/E Ratio of Hainan Airport Holdings is calculated based on the Appraised Entire Value divided by its net profits attributable to the shareholders for FY2025 (the "**Implied P/E**").

7. The P/B Ratio of Hainan Airport Holdings is calculated based on the Appraised Entire Value divided by its net asset value attributable to the shareholders as at 30 June 2026 (the "**Implied P/B**").

As shown in the table above, for the four Comparable Companies with available P/E ratios, their P/E ratios ranged from approximately 11.4 to 28.7 with average and median of approximately 20.2 and 20.3. It is noted that the Implied P/E ratio of Hainan Airport Holdings of approximately 14.3 was within such range of the P/E ratios of the Comparable Companies and lower than the average and median of that of the Comparable Companies. The comparison reveals that the valuation is in line with peer multiples on an earnings basis. The P/B ratios of the Comparable Companies ranged from approximately 0.4 to 1.4 with average and median of approximately 1.1. The Implied P/B ratio of Hainan Airport Holdings of approximately 1.4 was within the range of P/B ratios of the Comparable Companies and higher than both the average and median of that of the Comparable Companies.

We further noted that the market capitalisation of Shanghai International Airport Co., Ltd. as at the Latest Practicable Date was exceptionally high among the Comparable Companies which could distort the overall results. Therefore, we have attempted to shortlist the Comparable Companies by excluding Shanghai International Airport Co., Ltd. (the "**Shortlisted Comparable Companies**"). Upon comparison, we noted that the implied P/E ratio of Hainan Airport Holdings of approximately 14.3 was still within the range of the P/E ratios of the Shortlisted Comparable Companies from approximately 11.4 to 26.1 while lower than the average and the median of that of the Shortlisted Comparable Companies of approximately 17.3 and 14.4, and the implied P/B ratio of Hainan Airport Holdings of approximately 1.4 was still within the range of the P/B ratios of the Shortlisted Comparable Companies from approximately 0.4 to 1.4 while higher than both the average and median of that of the Shortlisted Comparable Companies of approximately 1.0 and 1.1, respectively, as at the Latest Practicable Date.

Both Comparable Companies and Shortlisted Comparable Companies presented similar findings where the valuation of Hainan Airport Holdings was in line with the market range both on an earnings basis and an assets basis. Accordingly, we consider that the consideration of Hainan Airport Holdings is not under-valued as compared to the Comparable Companies.

Conclusion

Taking into account (i) that the consideration was based on the valuation results of the Valuation report issued by Beijing YaChao; (ii) our view regarding the valuation assumptions and methodology as concluded above; and (iii) the above comparison of the implied P/E and P/B ratios of the Hainan Airport Holdings against the range of P/E and P/B ratios of the Comparable Companies as well as the Shortlisted Comparable Companies, we are of the view that the consideration for the Disposal is fair and reasonable.

5. Possible financial effects of the Disposal

Upon completion of the Disposal, Hainan Airport Holdings will be owned as to 18.5% by the Company, and Hainan Airport Holdings will cease to be an associated company of the Company and its financial results will no longer be accounted for in the Group's consolidated financial statements using the equity method.

The financial effects of the Disposal on the Group are as follow. It should be noted that the following analyses are for illustrative purpose only and do not purport to represent how the financial performance and position of the Group will be upon completion of the Disposal.

Earnings

Upon completion of the Disposal at the Consideration of approximately RMB109.1 million, the Group is expected to recognise a gain on the Disposal of approximately RMB33 million for the appraised value uplift attributable to the Target Equity Interest and approximately RMB100 million for the appreciation in the appraised value of the remaining shareholding as compared with its book value.

In accordance with the applicable PRC accounting standards, upon discontinuation of the equity method, capital reserves and other comprehensive income previously recognised in aggregate of approximately RMB407 million are required to be recognised together as profit or loss for the current period. Taking into account the foregoing factors, the Disposal is expected to result in the recognition of an investment gain of approximately RMB540 million at the consolidated financial statements of the Company.

Accordingly, it is expected that the gain on the Disposal will have positive impact on the earnings of the Group.

With the retained 18.5% equity interest in Hainan Airport Holdings, the Group will be positioned to benefit from future dividend distributions and potential capital appreciation of Hainan Airport Holdings, which in turn may contribute positively to the Group's earnings.

Net Assets

Referring to the analysis on earnings above, it is expected that the gain from the Disposal is expected to increase the net asset value of the Group by approximately RMB133.48 million.

Additionally, upon discontinuation of the equity method under applicable PRC accounting standards, capital reserves and other comprehensive income of approximately RMB407 million will be recognized as profit or loss in the current period; however, this recognition is expected to have no material net impact on net assets as it represents an internal transfer between equity categories rather than a change in total equity value.

Cashflow

Given that the Consideration of approximately RMB109.1 million will be fully paid by cash to the Group, it is expected that the receipt of the Consideration will have a positive impact on the cash flow of the Group.

Conclusion

Based on the above analysis, the Disposal would have positive impact on the Group's earnings, net asset value, and cashflow, while enabling the Group to retain exposure to future dividend income and capital appreciation potential. On such basis, we are of the view that the Disposal is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that while the Equity Transfer Agreement and the Disposal contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement and the Disposal contemplated thereunder are (i) fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned; (ii) on normal commercial terms; and (iii) in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the Equity Transfer Agreement and the Disposal contemplated thereunder.

Yours faithfully,
For and on behalf of
Octal Capital Limited

Louis Chan	**Ben Chui**
Executive Director	*Director*

Note: Mr. Louis Chan is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Octal Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 20 years of experience in corporate finance and investment banking.

Mr. Ben Chui is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Octal Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 15 years of experience in accounting and corporate finance.

北京亞超資產評估有限公司
Beijing YaChao Assets Appraisal Co., Ltd.

This asset valuation report was prepared in accordance with the China Asset Valuation Standards

ASSET VALUATION REPORT
EQUITY TRANSFER PROPOSED BY
HAINAN RUIGANG LOGISTICS CO., LTD.
INVOLVING THE VALUE OF THE 6.00% EQUITY INTEREST IN
HAINAN AIRPORT HOLDINGS OPERATION MANAGEMENT CO., LTD.

Beijing YaChao Ping Bao Zi (2026) No. A142

(Volume 1 of 1)

12 June 2026

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STATEMENTS OF ASSET VALUATION REPORT

This asset valuation report is a written professional opinion issued by our company upon the entrustment of Hainan Ruigang Logistics Co., Ltd., by asset valuation professionals in accordance with the requirements of China Asset Valuation Standards, after performing necessary valuation procedures, expressing the value of the valuation object for a specific purpose on the valuation benchmark date. We hereby make the following statements with respect to this asset valuation report:

I. This asset valuation report is prepared in accordance with the basic asset valuation standards issued by the Ministry of Finance and the asset valuation practice standards and professional ethics standards issued by the China Appraisal Society.

II. The principal or other users of the asset valuation report shall use the asset valuation report in accordance with the provisions of laws, administrative regulations and the scope of use specified in this asset valuation report. If the principal or other users of the asset valuation report use the asset valuation report in violation of the foregoing provisions, the asset valuation agency and the asset valuation professionals shall not be liable.

III. This asset valuation report may only be used by the principal, other users of the asset valuation report as stipulated in the asset valuation commission contract, and users of the asset valuation report as stipulated by laws and administrative regulations. Save as aforesaid, other institutions or individuals are not allowed to become users of this asset valuation report.

IV. Users of the asset valuation report should correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable price of the valuation object, and the valuation conclusion shall not be considered as a guarantee for the realisable price of the valuation object.

V. The analysis, judgments and results contained in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained in the asset valuation report. Users of the asset valuation report should fully consider the assumptions, limitations, special matters and their impact on the valuation conclusion contained in the asset valuation report.

VI. The asset valuation agency and the asset valuation professionals comply with laws, administrative regulations and asset valuation standards, adhere to the principles of independence, objectivity and impartiality, and assume responsibility for the asset valuation report issued in accordance with the law.

VII. The list of assets and liabilities involved in the valuation object was declared by the principal and the entity under valuation and confirmed by them through signature, seal or other means permitted by law. The principal and other relevant parties are legally responsible for the truthfulness, completeness and legality of the information provided by them.

VIII. The asset valuation agency and the asset valuation professionals have no existing or expected interest in the valuation object in the asset valuation report; have no existing or expected interest relationship with the relevant parties, and have no prejudice against the relevant parties.

IX. The asset valuation professionals have conducted on-site investigations on the valuation object and the assets involved in the asset valuation report. They have given necessary attention to the legal ownership status of the valuation object and the assets involved, verified the relevant legal ownership documentation of the valuation object and the assets involved, have truthfully disclosed any issues identified, and have reminded the principal and other relevant parties to update the property ownership information to meet the requirements for issuing the asset valuation report.

EQUITY TRANSFER PROPOSED BY HAINAN RUIGANG LOGISTICS CO., LTD. INVOLVING THE VALUE OF THE 6.00% EQUITY INTEREST IN HAINAN AIRPORT HOLDINGS OPERATION MANAGEMENT CO., LTD.

SUMMARY OF ASSET VALUATION REPORT

Beijing YaChao Assets Appraisal Co., Ltd., upon the entrustment of Hainan Ruigang Logistics Co., Ltd., in accordance with relevant laws, regulations and China Asset Valuation Standards, adhering to the principles of independence, objectivity and impartiality, and performing necessary valuation procedures, has appraised the market value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in the proposed equity transfer by Hainan Ruigang Logistics Co., Ltd. as at 31 December 2025.

I. VALUATION PURPOSE

The valuation purpose is to provide a value reference for the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in the proposed equity transfer by Hainan Ruigang Logistics Co., Ltd.

II. VALUATION OBJECT AND VALUATION SCOPE

The valuation object is the value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd., and the valuation scope is all the audited assets and liabilities declared by Hainan Airport Holdings Operation Management Co., Ltd..

III. TYPE OF VALUE: Market Value.

IV. VALUATION BENCHMARK DATE: 31 December 2025.

V. VALUATION METHOD: Asset-based approach.

VI. VALUATION CONCLUSION

The book value of the owners' equity of Hainan Airport Holdings Operation Management Co., Ltd. was 2,148.3532 million (unless otherwise stated in this report, all amounts are in Renminbi), and the appraised value is 1,817.7368 million (in words: One billion eight hundred seventeen million seven hundred thirty-six thousand eight hundred yuan), representing a valuation depreciation of 330.6164 million and a depreciation rate of 15.39%.

The appraised value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in the proposed equity transfer by Hainan Ruigang Logistics Co., Ltd. is 1,817.7368 million × 6.00% = 109.0642 million (in words: One hundred nine million sixty-four thousand two hundred yuan).

This valuation did not consider the impact of minority interest discount on the valuation conclusion, nor did it consider the impact of liquidity on the valuation conclusion.

VII. VALIDITY PERIOD OF THE VALUATION CONCLUSION

The asset valuation report may be used only when the period between the valuation benchmark date and the date of realisation of the economic activities does not exceed one year, i.e., it is valid for one year from 31 December 2025.

VIII. SPECIAL MATTERS

(I) Mortgage and Pledge Matters

As of the valuation benchmark date, Sanya Phoenix International Airport Co., Ltd. (hereinafter referred to as "**Phoenix International Airport**") had mortgage loans of 3,227.9551 million (including long-term loans due within one year) and pledged mortgage loans of 1,093.1638 million (including long-term loans due within one year). The details of the specific mortgaged/pledged assets are as follows:

1. Phoenix International Airport mortgaged a total of 2 items of fixed assets and intangible assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010686, to Shanghai Pudong Development Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

2. Phoenix International Airport mortgaged a total of 4 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 1665, San Tu Fang (2005) No. 1100, and Qiong (2023) Sanya Real Estate Right No. 0004645, to Ping An Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

3. Phoenix International Airport mortgaged a total of 2 items of fixed assets and intangible assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010682, to Agricultural Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

4. Phoenix International Airport mortgaged a total of 7 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 1667, San Tu Fang (2012) No. 006145, etc., to CIB Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

5. Phoenix International Airport mortgaged a total of 6 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 2357, San Tu Fang (2005) No. 1952, and San Tu Fang (2005) No. 1947, to Haikou Rural Commercial Bank Co., Ltd., Haikou Rural Credit Cooperative, Hainan Wenchang Rural Commercial Bank Co., Ltd., Qionghai Rural Credit Cooperative, Hainan Chengmai Rural Commercial Bank Co., Ltd., Danzhou Rural Credit Cooperative, Lingshui Li Autonomous County Rural Credit Cooperative, Baoting Li and Miao Autonomous County Rural Credit Cooperative, Ledong Li Autonomous County Rural Credit Cooperative, and Changjiang Li Autonomous County Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

6. Phoenix International Airport mortgaged a total of 23 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 1661, San Tu Fang (2004) No. 1662, etc., to China Development Bank Hainan Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

7. Phoenix International Airport mortgaged a total of 49 items of fixed assets and intangible assets, with certificate Nos. Qiong (2024) Sanya Real Estate Right No. 0010689, San Tu Fang (2004) No. 2362, etc., to Sanya Rural Commercial Bank Co., Ltd., Baoting Li and Miao Autonomous County Rural Credit Cooperative, Wanning Rural Credit Cooperative, Qionghai Rural Credit Cooperative, Dongfang Rural Credit Cooperative, and Wuzhishan Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

8. Phoenix International Airport mortgaged a total of 3 items of investment properties, fixed assets and intangible assets, with certificate No. Qiong (2016) Sanya Real Estate Right No. 0015718, to Bank of Communications Co., Ltd. Hainan Branch, and pledged 1 item of monetary funds and 1 item of accounts receivable to Bank of Communications Co., Ltd. Hainan Branch, with a mortgage/pledge term from 1 November 2021 to 21 December 2031.

9. Phoenix International Airport mortgaged 13 items of equipment-type fixed assets, including airport shuttle buses, to Guangzhou High-tech Zone Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

10. Phoenix International Airport mortgaged 13 items of equipment-type fixed assets, including aircraft tractors, to Cornerstone International Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

11. Phoenix International Airport mortgaged 78 items of equipment-type fixed assets, including baggage handling systems, to China Foreign Trade Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

12. Phoenix International Airport mortgaged a total of 3 items of intangible assets, with certificate Nos. San Tu Fang (2013) No. 05259, San Tu Fang (2005) No. 1101, and San Tu Fang (2005) No. 1946, to Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

Note: Among the 23 mortgaged assets mortgaged to China Development Bank Hainan Branch under item 6 above, there is a land use right numbered San Tu Fang (2003) No. 2338, in respect of which there is an inconsistency between the mortgage registration documents and the list of mortgaged assets under the debt agreement. According to the real estate registration records obtained from the Sanya Real Estate Registration Centre on 29 January 2026, the land use right has been registered as mortgaged with mortgage registration certificate No. Qiong (2024) Sanya Real Estate Certificate No. 0010380. However, according to the list of mortgaged assets in the annex to the "Debt Retention Agreement" signed in December 2021 between Phoenix International Airport (mortgagor) and China Development Bank (Hainan Branch) (mortgagee), this land asset was not included in the list. This valuation has fully disclosed the special ownership defect of inconsistency between the registered mortgage and the agreement list, and the valuation amount did not consider the impact of disposal realisation risk arising from the restriction of land mortgage on the valuation conclusion.

(II) Inconsistency between Land Title Certificate Registration Information and Book Card Registration Information

There are inconsistencies between the area information registered in the land title certificates and the information recorded in the intangible asset cards for certain parcels of land held by the company, as detailed below:

No.	Land Title Certificate No.	Area per Certificate (m^2)	Area per Card Record (m^2)	Difference (m^2)
1	San Tu Fang (2012) No. 006145	45,826.38	45,332.95	493.43
2	San Tu Fang (2005) No. 1100	852,046.57	680,499.56	171,547.01
3	Qiong (2023) Sanya Real Estate Right No. 0004645 (formerly: San Tu Fang (2009) No. 02490)	2,605,367.58	2,548,033.35	57,334.23
4	Qiong (2025) Sanya Real Estate Right No. 0018571, Qiong (2025) Sanya Real Estate Right No. 0018569	15,181.55	17,595.43	-2,413.88
5	San Tu Fang (2003) No. 2338	16,225.77	13,345.44	2,880.33
Total		**3,534,647.85**	**3,304,806.73**	**229,841.12**

Upon verification, for items 1, 2, 3 and 5 in the above table, there are inconsistencies between the area registered in the title certificates and the area recorded in the intangible asset cards. The reason for the difference is that after the ownership division registration was completed for the said land parcels and new real estate title certificates were issued, the registered areas on the original title certificates were not simultaneously reduced or cancelled, resulting in the registered area on the certificates being greater than the area recorded on the asset cards. For item 4, the land ownership was divided from the original certificate No. "San Tu Fang (2004) No. 2884" into two real estate title certificates, and after division and confirmation, the land area on the certificates decreased by 2,413.88 m^2 compared with the original certificate area. The local government has confirmed that compensation for the corresponding area will be provided in the future. The land areas in this asset valuation are all based on the information recorded in the company's book intangible asset cards as the basis for valuation calculation, and users of the report are reminded to pay attention to this.

(III) Inconsistency between Expiry Date on Land and Building Title Certificate and Property Ownership Registration Information Inquiry Result

For the land and building title certificate No. "San Tu Fang (2004) No. 2362" in Sanya City, Hainan Province held by the company, the termination date registered on the certificate is 21 January 2041, while the Sanya City Real Estate Ownership Registration Information inquiry result shows the usage period as ending on 30 November 2064. This valuation is based on the Sanya City Real Estate Ownership Registration Information.

(IV) Details of the buildings at Phoenix International Airport for which real estate title certificates have not been obtained are as follows:

No.	Building Name	Floor Area (m^2)	Completion Date	Reason for Not Obtaining Title Certificate
1	West Cargo Terminal and Supporting Works	7,476.11	29 January 2016	Title certificate application in progress
2	Cargo Phase II and Bonded Logistics Centre No. 1 Logistics Warehouse	10,041.77	30 October 2021	Title certificate application in progress
3	Cargo Phase II and Bonded Logistics Centre No. 2 Logistics Warehouse	14,321.36	30 October 2021	Title certificate application in progress
4	Cargo Phase II and Bonded Logistics Centre International Cargo Terminal	7,260.19	30 October 2021	Title certificate application in progress
5	Haikou Passenger and Cargo Agency Dormitory	108.00	1 August 1994	Not transferred due to historical issues
6	International Terminal New Boarding Bridge and Supporting Works	18,360.10	28 December 2016	Missing construction filing documents
7	East Expansion Relocation Supporting Buildings (Guangtouling Office Building)	7,638.00	28 December 2016	Temporary building
Total		**65,205.53**		

These real properties were constructed or purchased by Phoenix International Airport, and Phoenix International Airport should enjoy the real property rights over these properties from the time the facts of construction or purchase were accomplished. Phoenix International Airport has declared that the above buildings without real estate title certificates were all constructed or purchased by it. Therefore, Phoenix International Airport enjoys the real property rights over these properties. Accordingly, this valuation did not consider the impact of the above matters regarding unregistered real estate title certificates on the valuation conclusion.

(V) Equity Matters of Dongying Shengli Airport Management Co., Ltd.

According to the Audit Report (No. Zhonghui Hui Shen [2023] 2097) issued by Zhonghui Certified Public Accountants LLP on 27 March 2023, on 15 January 2011, the Dongying Municipal People's Government and Former HNA Group entered into a Cooperation Agreement, pursuant to which both parties agreed to treat Dongying Shengli Airport Management Co., Ltd. (東營勝利機場管理有限責任公司) (hereinafter referred to as "**Dongying Shengli Airport**"), which was established with funding from the Dongying Municipal People's Government, as the statutory operating entity of the cooperative airport. The Dongying Municipal People's Government would inject the effective assets formed from the airport expansion and all effective assets of Dongying Yong'an Airport Co., Ltd. held by Former HNA Group into Dongying Shengli Airport, and the Dongying Municipal People's Government would transfer 20% of the equity interest in Dongying Shengli Airport to Former HNA Group. On 25 January 2011, Former HNA Group transferred the title of the effective assets to Dongying Shengli Airport, and the effective assets formed from the airport expansion by the Dongying Municipal People's Government had always been held by Dongying Airport Co., Ltd. (東營機場有限責任公司), and the title had not yet been transferred. Dongying Shengli Airport had continuously and actually operated the assets of Former HNA Group and the assets of Dongying Airport Co., Ltd from 30 April 2011. This valuation did not consider the impact of the above matters on the valuation conclusion.

As of 31 December 2025, the registered capital of Dongying Shengli Airport was 1.25 million, of which Shandong Airport Management Group Dongying Airport Co., Ltd. (山東省機場管理集團東營機場有限公司) contributed 1 million, representing a capital contribution ratio of 80%; and Hainan Airport Holdings Operation Management Co., Ltd. contributed 0.25 million, representing a capital contribution ratio of 20%.

(VI) This valuation of land use rights includes deed tax.

(VII) Yichang Sanxia International Airport Co., Ltd. (宜昌三峽國際機場有限責任公司) and Dongying Shengli Airport are non-controlling equity investments held by the entity under valuation. This valuation adopts the method of converting the financial statements of the investee enterprises. Based on their accounting statement information, the appraised value of the long-term equity investments is determined by multiplying the shareholding ratio as at the valuation benchmark date by the net assets of the investee.

According to Article 38 of the Practice Standard for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38) (《資產評估執業準則—企業價值》(中評協[2018]38號)), where the asset-based approach is adopted in an enterprise valuation, the long-term equity investments shall be analysed to determine whether they are to be valued separately based on factors such as the appraised entity's actual control over the long-term equity investments and their degree of influence on the value of the valuation object.

Hainan Airport Holdings Operation Management Co., Ltd. is only a minority shareholder of, and does not control, Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport. As a minority shareholder, Hainan Airport Holdings Operation Management Co., Ltd. is not in a position to require Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport to provide complete valuation information, allow on-site inspection or support the full set of valuation procedures, such as profit forecast interviews, asset stock-taking and title verification. The conditions for conducting an overall valuation were not met as Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport did not cooperate with a full valuation. Therefore, no separate valuation of Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport was carried out. It is not uncommon in the PRC for an investee to decline to cooperate with a valuation requested by a minority shareholder.

Further, based on the Jiangsu Provincial Asset Valuation Industry Professional Technical Mentor Panel – Answers to Practice Questions (No. 23) (《江蘇省資產評估行業專業技術導師團執業問題解答(二十三)》), minority equity interests in enterprise valuations may be valued using the cost approach. The cost approach is also known as the asset-based approach, the net asset approach or the adjusted net asset approach. The asset-based approach involving the valuation of minority equity investments differs from the asset-based approach for enterprise valuation in the ordinary sense. It could be understood as a simplified version of the asset-based approach for enterprise valuation. For example, the book value of the investee's net assets may be taken directly as the value of the entire shareholders' equity. Alternatively, based on the balance sheet, the value of the entire shareholders' equity may be determined after appropriate adjustments based on such status of the enterprise's major assets as can be obtained or ascertained. According to the expert answers above, where an investee does not cooperate with a full valuation and does not provide the information required for valuation, it is reasonable to determine the appraised value of the long-term equity investment directly as the shareholding ratio multiplied by the investee's net assets at the valuation benchmark date. This valuation has conducted appropriate analysis of the financial statements of Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport, and the appraised values of such non-controlling long-term equity investments are determined by multiplying the shareholding ratios as at the valuation benchmark date by the net assets of the investees.

Users of the report are reminded to pay attention to the above matters as they may affect the valuation conclusion and the economic activities, and to pay attention to the valuation assumptions and limitations under which the valuation conclusion is established.

The above is extracted from the main text of the asset valuation report. To understand the detailed circumstances of this valuation engagement and to correctly interpret the valuation conclusion, the main text of the asset valuation report should be read.

EQUITY TRANSFER PROPOSED BY HAINAN RUIGANG LOGISTICS CO., LTD. INVOLVING THE VALUE OF THE 6.00% EQUITY INTEREST IN HAINAN AIRPORT HOLDINGS OPERATION MANAGEMENT CO., LTD.

Main Text of Asset Valuation Report

Beijing YaChao Ping Bao Zi (2026) No. A142

I. INTRODUCTION

Hainan Ruigang Logistics Co., Ltd.:

Beijing YaChao Assets Appraisal Co., Ltd. has received your company's entrustment and, in accordance with laws, administrative regulations and asset valuation standards, adhering to the principles of independence, objectivity and impartiality, adopting the asset-based approach, and following the necessary valuation procedures, has appraised the market value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in the proposed equity transfer by Hainan Ruigang Logistics Co., Ltd. as at 31 December 2025. The principal and the entity under valuation are responsible for the truthfulness, legality and completeness of the valuation data and legal ownership data provided, and for ensuring the safety and completeness of the appraised assets. Our responsibility is to appraise and estimate the value of the valuation object on the valuation benchmark date and to express a professional opinion.

The asset valuation professionals have conducted necessary verification and inspection of all assets within the valuation scope, performed necessary validation and review of the valuation data provided by the entity under valuation, given necessary attention to legal ownership relationships, and implemented necessary asset valuation procedures. The valuation circumstances and valuation conclusion are hereby reported as follows:

II. OVERVIEW OF THE PRINCIPAL, THE ENTITY UNDER VALUATION AND OTHER USERS OF THE ASSET VALUATION REPORT AS STIPULATED IN THE ASSET VALUATION COMMISSION CONTRACT

(I) Overview of the Principal

Enterprise Name: Hainan Ruigang Logistics Co., Ltd.;

Unified Social Credit Code: 91460000MA5RCAFQ10;

Type: Limited liability company;

Registered Address: 1st Floor (New Office Building), No. 259 Haiyu Avenue, Lingshan Town, Haikou City, Hainan Province;

Legal Representative: Ren Kai (任凯);

Registered Capital: RMB50 million;

Date of Establishment: 22 December 2015;

Operation Term: 22 December 2015 to long-term;

Business Scope: Licensed Activities: Import and export of goods; road freight transport (excluding dangerous goods); operation of bonded logistics centres; catering services; sale of foodstuffs; retail sale of tobacco products; sale of alcoholic beverages; retail sale of publications; maintenance of civil aircraft (activities subject to statutory approval may only be undertaken following approval by the relevant authorities). General Activities: Domestic freight forwarding; international freight forwarding; Business management; general goods warehousing services (excluding hazardous chemicals and other items requiring licensing or approval); new materials technology promotion services; commercial complex management services; non-residential property leasing; car park services; conference and exhibition services; retail sale of edible agricultural products; production of chemical products (excluding licensed chemical products); sale of needlework and textile products; sale of daily necessities; manufacture of refrigeration and air-conditioning equipment; sale of refrigeration and air-conditioning equipment; sale of mechanical equipment; sale of electronic products; retail of computer hardware, software and peripheral equipment; sale of general merchandise; sale of office supplies; sale of furniture; sale of telecommunications equipment; retail of clothing and accessories; retail of footwear and headwear; retail of jewellery; sale of arts and crafts and ceremonial items (excluding ivory and articles made thereof); sale of toys; retail sale of stationery; sale of watches and clocks; retail sale of cosmetics; property management; advertising design and agency services; advertising production; cultural venue management services; science popularisation services; ticketing agency services; passenger ticketing agency services; amusement park services; repair and maintenance of motor vehicles; retail sale of motor vehicle spare parts (except for licensed activities, the company may independently engage in business activities not prohibited or restricted by laws and regulations in accordance with the law).

(II) Overview of the Entity under valuation

1. Business License Registration Information

Enterprise Name: Hainan Airport Holdings Operation Management Co., Ltd.;

Unified Social Credit Code: 914600007543602563;

Type: Limited liability company;

Registered Address: 19th Floor, Block C, Internet Finance Building, No. 3 Guoxing Avenue, Meilan District, Haikou City, Hainan Province;

Legal Representative: Wu Zhongbiao;

Registered Capital: RMB3,020,151,992;

Date of Establishment: 31 October 2003;

Operation Term: 31 October 2003 to 30 October 2053;

Business Scope: Airport operation and management, and ground handling services relating to domestic and international air transport; airport investment and refurbishment; warehousing (excluding dangerous goods); technical cooperation, consultancy and services relating to domestic and international air transport; and investment and business operations in sectors and industries permitted by the State.

2. Historical Evolution and Shareholding Structure

(1) Company Profile

The company is a limited liability company established by Changjiang Leasing Co., Ltd. and HNA Group Co., Ltd. with a registered capital of 600 million, and obtained the Business License from the Administration for Industry and Commerce in October 2003.

(2) Company Establishment (October 2003)

The shareholding structure at establishment was as follows:

Monetary Unit: RMB10,000

No.	Shareholder Name	Subscribed Capital Contribution	Investment Proportion
1	Changjiang Leasing Co., Ltd.(長江租賃有限公司)	20,000.00	33.33%
2	HNA Group Co., Ltd.	40,000.00	66.67%
Total		**60,000.00**	**100.00%**

(3) First Equity Transfer (August 2007)

In August 2007, the shareholder, Changjiang Leasing Co., Ltd. transferred its equity interest to HNA Group Co., Ltd. The shareholding structure following the transfer was as follows:

Monetary Unit: RMB10,000

No.	Shareholder Name	Subscribed Capital Contribution	Investment Proportion
1	HNA Group Co., Ltd.	60,000.00	100.00%
Total		**60,000.00**	**100.00%**

(4) First Increase in Registered Capital (December 2007)

According to the Shareholders' Resolution, it was approved to increase the registered capital. The shareholding structure following the capital increase was as follows:

Monetary Unit: USD10,000

No.	Shareholder Name	Subscribed Capital Contribution	Investment Proportion
1	HNA Group Co., Ltd.	20,820.00	51.00%
2	Worldwide United Limited	10,000.00	24.50%
3	Kingward Investment Limited	10,000.00	24.50%
Total		**40,820.00**	**100.00%**

(5) Thereafter, following several changes, the shareholding structure as of the valuation benchmark date was as follows:

Monetary Unit: RMB10,000

No.	Shareholder Name	Subscribed Capital Contribution	Paid-in Capital Contribution	Investment Proportion
1	Hainan Airport Investment and Operation Management Co., Ltd.	191,024.6135	191,024.6135	63.25%
2	Hainan Ruigang Logistics Co., Ltd.	73,993.7238	73,993.7238	24.50%
3	Hainan Airport Development Industry Group Co., Ltd.	36,996.8619	36,996.8619	12.25%
Total		**302,015.1992**	**302,015.1992**	**100.00%**

3. Organisational Structure

The company is a platform-type shell company managed directly by the head office, with no functional departments established internally.

4. Operating Status

The company is primarily responsible for the operational management and control of its investee entities and does not itself engage in substantive business activities such as production, operations or commodity trading.

5. Assets, Liabilities and Operating Performance of the Entity under valuation in Recent Years

(1) Assets, Liabilities and Financial Position

Summary of Assets, Liabilities and Financial Position (Consolidated)

Monetary Unit: RMB10,000

Assets/Liabilities Items	**31 December 2024**	**31 December 2025**
Current Assets	588,023.34	618,931.30
Non-current Assets	688,744.98	676,126.45
Total Assets	**1,276,768.32**	**1,295,057.75**
Current Liabilities	477,899.26	508,799.23
Non-current Liabilities	492,995.77	441,308.43
Total Liabilities	**970,895.03**	**950,107.66**
Shareholders' Equity	**305,873.29**	**344,950.09**
Income Statement Items	**2024**	**2025**
Operating Revenue	162,158.72	159,724.22
Operating Costs	103,217.22	110,884.41
Operating Profit	31,777.06	17,392.64
Total Profit	32,771.71	24,587.97
Net Profit	24,303.83	24,565.64
Audit Opinion Type	**Unqualified Opinion**	**Unqualified Opinion**
Audit Firm	Zhong Shen Zhong Huan Certified Public Accountants (Special General Partnership)	Baker Tilly China (Special General Partnership)

Note: The above data is sourced from the audit reports issued by the audit firms.

Summary of Assets, Liabilities and Financial Position (Standalone)

Monetary Unit: RMB10,000

Assets/Liabilities Items	**31 December 2024**	**31 December 2025**
Current Assets	10,145.21	9,189.91
Non-current Assets	521,943.81	520,725.21
Total Assets	**532,089.02**	**529,915.12**
Current Liabilities	316,007.74	315,079.80
Non-current Liabilities	0.00	0.00
Total Liabilities	**316,007.74**	**315,079.80**
Shareholders' Equity	**216,081.28**	**214,835.32**
Income Statement Items	**2024**	**2025**
Operating Revenue	0.00	0.00
Operating Costs	0.00	0.00
Operating Profit	-4,152.52	-4,737.39
Total Profit	-4,152.52	-4,737.39
Net Profit	-4,152.52	-4,737.39
Audit Opinion Type	**Unqualified Opinion**	**Unqualified Opinion**
Audit Firm	Zhong Shen Zhong Huan Certified Public Accountants (Special General Partnership)	Baker Tilly China (Special General Partnership)

Note: The above data is sourced from the audit reports issued by the audit firms.

(2) Accounting System

Accounting records are prepared on an accrual basis for the purposes of recognition, measurement and reporting. They are prepared in accordance with the "Accounting Standards for Business Enterprises – Basic Standard" issued by the Ministry of Finance, as well as specific accounting standards and their application guides, interpretations and other relevant provisions.

(3) Major Taxes and Tax Rates

No.	Major Tax Type	Tax Rate	Tax Basis
1	Corporate Income Tax	25%	Taxable income
2	Value-added Tax	13%, 9%, 6%	Value added from sale of goods or provision of services
3	Urban Maintenance and Construction Tax	7%	Taxable turnover tax amount
4	Education Surcharge	3%	Taxable turnover tax amount
5	Local Education Surcharge	2%	Taxable turnover tax amount

(4) Tax Preferences

None.

6. Long-term Equity Investments

Monetary Unit: RMB10,000

No.	Investee Company Name	Investment Date	Shareholding Ratio (%)	Investment Cost	Book Value
1	Phoenix International Airport	2007	56.4111	463,601.15	463,601.15
2	Yichang Sanxia International Airport Co., Ltd.	July 2004	49	45,851.68	57,114.43
3	Dongying Shengli Airport	February 2011	20	25.00	0.00
	Book Balance			**509,477.83**	**520,715.59**
	Less: Impairment Provision			**0.00**	**0.00**
	Book Value			**509,477.83**	**520,715.59**

(III) Relationship between the Principal and the Entity under Valuation

The principal of this asset valuation is Hainan Ruigang Logistics Co., Ltd., and the entity under valuation is Hainan Airport Holdings Operation Management Co., Ltd. Hainan Ruigang Logistics Co., Ltd. holds 24.50% of the equity interest in Hainan Airport Holdings Operation Management Co., Ltd.

(IV) Other Users of the Valuation Report other than the Principal

This asset valuation report is intended for use solely by the principal and the entity under valuation for the purpose of achieving the valuation purpose. Other than the principal and the entity under valuation, other users of the valuation report are: the superior supervisory authorities of the principal and the entity under valuation, state-owned assets management authorities, and other report users related to the valuation purpose as stipulated by laws and regulations.

The asset valuation professionals and the asset valuation institution shall not be liable for the consequences arising from improper use of the valuation report by the principal and other users of the valuation report.

III. VALUATION PURPOSE

In connection with the proposed transfer of equity interest in Hainan Airport Holdings Operation Management Co., Ltd. by Hainan Ruigang Logistics Co., Ltd., Beijing YaChao Assets Appraisal Co., Ltd. has been entrusted to appraise the value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in such economic activities. The valuation purpose is to provide a value reference for the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in the proposed equity transfer by Hainan Ruigang Logistics Co., Ltd.

The economic activities were implemented pursuant to the request in June 2026 regarding the signing of the relevant commission contract between Hainan Ruigang Logistics Co., Ltd. and Beijing YaChao Assets Appraisal Co., Ltd. in respect of the asset valuation of the equity interests in Hainan Airport Holdings Operation Management Co., Ltd.

IV. VALUATION OBJECT AND VALUATION SCOPE

(I) Valuation Object

The valuation object is the value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd.

(II) Valuation Scope

The valuation scope is all the audited assets and liabilities declared by Hainan Airport Holdings Operation Management Co., Ltd.

The financial statements of Hainan Airport Holdings Operation Management Co., Ltd. as of the valuation benchmark date of 31 December 2025 were audited by Baker Tilly China (Special General Partnership), which issued an unqualified audit report numbered "Tian Zhi Ye Zi (2026) No. 30143". The audited assets and liabilities are as follows:

Summary of Asset Valuation Declaration

Monetary Unit: RMB10,000

Item	Book Value as at Valuation Benchmark Date
Current Assets	9,189.91
Non-current Assets	520,725.21
Of which: Long-term Equity Investments	520,715.59
Other Non-current Assets	9.62
Total Assets	**529,915.12**
Current Liabilities	315,079.80
Non-current Liabilities	0.00
Total Liabilities	**315,079.80**
Net Assets (Owners' Equity)	**214,835.32**

The entrusted valuation object and valuation scope are consistent with the valuation object and valuation scope involved in the economic activities.

(III) Status and Characteristics of Major Assets within the Valuation Scope

- ***Current Assets***

Other receivables are the main component of current assets, with a book value of 91.629 million, primarily consisting of inter-company balances.

- ***Non-current Assets***

Long-term equity investments are the main component of non-current assets, with a book balance of 5,207.1559 million, impairment provision of 0.00, and a book value of 5,207.1559 million, representing investments in Phoenix International Airport, Yichang Sanxia International Airport Co., Ltd., and Dongying Shengli Airport.

- ***Long-term Equity Investments***

Long-term equity investments have a book balance of 5,207.1559 million, impairment provision of 0.00, and a book value of 5,207.1559 million, mainly comprising 1 controlled subsidiary and 2 associates. Details of each company are as follows:

– Phoenix International Airport

1) Business License Registration Information

Enterprise Name: Sanya Phoenix International Airport Co., Ltd.;

Unified Social Credit Code: 914602002013608971;

Type: Limited Liability Company;

Registered Address: Phoenix International Airport, Fenghuang Road, Sanya City, Hainan Province;

Legal Representative: Han Luhai;

Registered Capital: RMB5,769,927,276;

Date of Establishment: 27 August 1993;

Operation Term: 27 August 1993 to 27 August 2038;

Business Scope: Licensed Activities: Civil airport operations; warehousing services for goods under customs supervision (excluding hazardous chemicals and dangerous goods); insurance agency services; retail sale of refined petroleum products (activities subject to statutory approval may only be undertaken following approval by the relevant authorities). General Activities: Advertising; aviation business services; land use right leasing; hotel management; residential property letting; non-residential property letting; aviation operational support services; leasing services (excluding licensed leasing services); letting of counters and stalls; commercial complex management services; advertising production; advertising design and agency services; packaging services; professional cleaning, washing and disinfection services; information consultancy services (excluding licensed information consultancy services); business agency and intermediary services; online sales (excluding the sale of goods requiring a licence); loading, unloading and handling; business training (excluding educational training, vocational skills training and other training requiring a licence); domestic freight forwarding; international air freight forwarding; sales agency; air freight packaging services; sale of paper products; general goods warehousing services (excluding hazardous chemicals and other items requiring a licence or approval); passenger ticketing agency services; car park services; motor vehicle repair and maintenance (excluding licensed activities; the company may independently operate, in accordance with the law, any projects not prohibited or restricted by laws and regulations).

2) Shareholding Structure

As at the valuation benchmark date, the shareholding structure is as follows:

No.	Shareholder Information	Shareholding Ratio *(%)*	Subscribed Capital Contribution *(RMB10,000)*
1	Hainan Airport Holdings Operation Management Co., Ltd.	56.4111	325,487.84
2	Hainan Airport Infrastructure Co., Ltd.	25.0572	144,578.31
3	Hainan Airport Investment and Operation Management Co., Ltd.	18.0851	104,349.59
4	Hainan Haijian Modern Industry Development Co., Ltd.	0.3466	2,000.00
5	Hainan Airport Group Co., Ltd.	0.1000	576.99
Total		**100.00**	**576,992.73**

3) Assets, Liabilities and Financial Position

Summary of Assets, Liabilities and Financial Position

Monetary Unit: RMB10,000

Assets/Liabilities Items	31 December 2024	31 December 2025
Current Assets	584,499.47	615,734.53
Non-current Assets	630,832.18	620,834.35
Total Assets	**1,215,331.65**	**1,236,568.88**
Current Liabilities	166,078.15	199,370.56
Non-current Liabilities	492,995.77	441,308.43
Total Liabilities	**659,073.92**	**640,679.00**
Shareholders' Equity	**556,257.72**	**595,889.88**

Income Statement Items	2024	2025
Operating Revenue	158,427.64	155,856.93
Operating Costs	100,835.93	108,839.37
Operating Profit	34,936.80	21,318.87
Total Profit	35,944.95	28,503.68
Net Profit	27,378.95	28,593.87
Audit Opinion Type	**Unqualified Opinion**	**Unqualified Opinion**
Audit Firm	Zhong Shen Zhong Huan Certified Public Accountants (Special General Partnership)	Baker Tilly China (Special General Partnership)

4) Status and Characteristics of Major Assets

- ***Current Assets***

Monetary funds, accounts receivable and other receivables are the main components of current assets. Monetary funds have a book value of 490.2086 million, mainly bank deposits. Accounts receivable have a book value of 302.7449 million, mainly landing fees and other charges. Other receivables have a book value of 5,357.5009 million, mainly inter-company balances, guarantee deposits, and dividends receivable.

- ***Non-current Assets***

Fixed assets and intangible assets are the main components of non-current assets. Fixed assets have a book balance of 3,621.4759 million, impairment provision of 0.00, and a book value of 3,621.4759 million, mainly assets held by the enterprise for production, service provision, and management purposes with a useful life exceeding 12 months. Intangible assets have a book balance of 824.8376 million, impairment provision of 0.00, and a book value of 824.8376 million, mainly land use rights and software.

- ***Tangible Assets***

Tangible assets comprise inventories, investment properties, fixed assets, construction in progress and intangible assets, mainly located at Sanya Phoenix International Airport (hereinafter referred to as "**Sanya Phoenix International Airport**"), Tianya District, Sanya City, Hainan Province.

1. Inventories

Inventories have a book value of 0.43 million, mainly raw materials such as petrol and diesel, distributed within Sanya Phoenix International Airport. All raw materials are in normal usable condition.

2. Investment Properties

Investment properties have a book value of 713.3845 million, located at Sanya Phoenix International Airport, mainly comprising the airport commercial supporting station-front complex and French garden which are under lease. Both are of reinforced concrete structure with a total floor area of 26,229.18 m^2. The station-front complex was completed and put into use in July 2016, and the French garden was completed and put into use in March 2023.

– Ownership Status

No.	Title Certificate No.	Asset Name	Land Use Nature	Land Use Purpose	Expiry Date	Land Area (m^2)	Structure	Completion Date	Floor Area (m^2)	Registered Owner
1	Qiong (2016) Sanya Real Estate Right No. 0015718	Station-front Complex	Transfer	Airport Land	21 June 2064	72,669.00	RC	July 2016	21,037.92	Phoenix International Airport
2	Qiong (2023) Sanya Real Estate Right No. 0005069	French Garden	Transfer	Airport Land	21 January 2041	2,252.76	RC	March 2023	5,191.26	Phoenix International Airport
	Total					**74,921.76**			**26,229.18**	

Note: The above Qiong (2016) Sanya Real Estate Right No. 0015718 has a total floor area of 170,395.99 m^2, comprising commercial complex and parking building. The station-front complex accounted for under investment properties is located on floors 1-6, all being commercial or office space available for external lease, with a floor area of 21,037.92 m^2. The remaining floor area of 149,358.07 m^2 of the station-front complex is accounted for under fixed assets (buildings).

– Land Use Rights Status of Buildings

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Purpose	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
1	Parking Building Complex	Qiong (2016) Sanya Real Estate Right No. 0015718	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	72,669.00	1 August 1994	21 June 2064	Phoenix International Airport
2	French Garden	Qiong (2023) Sanya Real Estate Right No. 0005069	Tongjing Village Area, Tianya District, Sanya City	Transfer	Airport Land	2,252.76	21 January 1991	21 January 2041	Phoenix International Airport
	Total					**74,921.76**			

– Location Status

The investment properties included in the valuation scope are all located within Sanya Phoenix International Airport and are supporting facilities of Sanya Phoenix International Airport. Sanya Phoenix International Airport is a 4E-class civil transport airport located at Fenghuang Road, Tianya District, Sanya City.

– Encumbrance Status

As at the valuation benchmark date, the station-front complex was mortgaged as security for a loan from Bank of Communications Co., Ltd. (Hainan Branch), with an outstanding loan balance of 1,093.1638 million (including long-term loans due within one year). The specific mortgage details are as follows:

No.	Asset Category	Asset Name	Title Certificate No.	Mortgagee/Pledgee	Mortgage Term
1	Investment Property	Station-front Complex	Qiong (2016) Sanya Real Estate Right No. 0015718	Bank of Communications Co., Ltd. (Hainan Branch)	1 November 2021 – 21 December 2031

– Lease Status

No.	Asset Name	Lessee	Lease Location	Lease Start Date	Lease End Date	Lease Area (m^2)
1	Station-front Complex	Gengu Commercial Management (Sanya) Co., Ltd.	Block B, 3rd & 4th Floor, Sanya Aviation City (excluding Shop B405)	29 May 2019	30 September 2027	3,794.00
2	Station-front Complex	Sanya Dehang Commercial Co., Ltd.	Block C, 3rd-6th Floor, Sanya Aviation City	30 July 2019	31 July 2027	9,877.00
3	Station-front Complex	Hainan Yinda International Catering Management Co., Ltd.	Block B, 3rd Floor 310, 4th Floor 407, 408, Aviation City	1 April 2017	31 March 2027	467.00
4	Station-front Complex	Sanya Hamburger Catering Management Co., Ltd.	Block B, 4th Floor B405, Aviation City	16 January 2019	15 January 2026	215.00
5	Station-front Complex	Hainan Civil Aviation Kaiya Co., Ltd.	Room 501, 5th Floor	15 March 2023	14 March 2026	82.28
6	Station-front Complex	Sanya Public Transport Group Co., Ltd.	North Side, 2nd Floor	1 January 2025	31 December 2025	59.86
7	Station-front Complex	Sanya Tourism, Culture, Radio, Television and Sports Bureau	Block C, 1st Floor	9 June 2023	31 December 2026	1,070.00
8	Station-front Complex	CDF Phoenix Duty-Free Co., Ltd.	6th Floor, Rooms 605, 606, 607, 608	20 January 2021	19 January 2026	624.18
9	Station-front Complex	CDF Phoenix Duty-Free Co., Ltd.	6th Floor, Rooms 601, 602, 603, 609	20 January 2022	19 January 2026	441.93
10	Station-front Complex	China Eastern Airlines Co., Ltd.	Block A, 3rd Floor Shop	1 April 2022	22 July 2027	106.00
11	Station-front Complex	Sanya Dehang Commercial Co., Ltd.	Block A, 3rd Floor Shop	16 January 2019	5 November 2026	105.00
12	Station-front Complex	Sanya Dehang Commercial Co., Ltd.	Block A, 3rd Floor Shop	10 June 2019	9 June 2026	155.00
13	Station-front Complex	Tongfang Weishi Technology Co., Ltd.	Room 501, 5th Floor	10 January 2024	10 January 2026	20.00
14	Station-front Complex	Dian Shuangying Group Co., Ltd.	Block A, 3rd Floor Shop	1 March 2024	28 February 2027	40.00
15	Station-front Complex	Hainan Property Management Group Co., Ltd. Sanya Branch	Tourist Centre, 2nd Floor, 1 Office Room	1 December 2024	30 November 2027	183.74
16	French Garden	CDF Group Sanya City Duty-Free Shop Co., Ltd.	French Garden, 1st Floor	20 February 2024	19 February 2026	369.00
17	French Garden	CDF Phoenix Airport Duty-Free Co., Ltd.	French Garden, 2nd, 3rd & 4th Floor	28 November 2020	27 November 2028	3,099.00
	Total					**20,708.99**

3. Fixed Assets

Fixed assets have an original book value of 5,421.3981 million and a net book value of 3,621.4759 million, comprising buildings, structures and other ancillary facilities, machinery and equipment, vehicles, and electronic office equipment.

(1) Buildings

Buildings have an original book value of 2,653.4933 million and a net book value of 1,956.9058 million, comprising 47 items, mainly terminals, dormitory buildings and the Station-front complex, completed and put into use between 1994 and 2021, with a total floor area of 382,717.03 m^2. The building structures are mainly reinforced concrete. All are in normal use and can meet the production and operation needs of the enterprise.

• Building Ownership Status

No.	Building Title Certificate No.	Building Name	Location	Structure	Area (m^2)	Registered Owner
1	Qiong (2024) Sanya Real Estate Right No. 0010686	Domestic Terminal (Phase I)	Tongjing Village Management Area, Tianya District, Sanya City	RC	19,362.82	Phoenix International Airport
2	San Tu Fang (2004) No. 1665	Dormitory Building No. 2	Phoenix Airport, Fenghuang Town, Sanya City	RC	1,638.32	Phoenix International Airport
3	Qiong (2024) Sanya Real Estate Right No. 0010444	Domestic East Extension T2 Terminal	Tongjing Village Management Area, Tianya District, Sanya City	RC	16,742.60	Phoenix International Airport
4	Qiong (2024) Sanya Real Estate Right No. 0010682	Domestic Terminal (Phase II)	Tongjing Village Management Area, Tianya District, Sanya City	RC	18,113.09	Phoenix International Airport
5	San Tu Fang (2004) No. 1667	Airport Office Building	Phoenix Airport, Fenghuang Town, Sanya City	RC	4,619.44	Phoenix International Airport
6	San Tu Fang (2012) No. 006145	International Terminal	Tongjing Village Management Area, Fenghuang Town, Sanya City	RC	10,682.50	Phoenix International Airport
7	San Tu Fang (2012) No. 006146	Dormitory Building No. 7	Phoenix Airport, Fenghuang Town, Sanya City	RC	20,020.44	Phoenix International Airport
8	San Tu Fang (2004) No. 2357	Field Operations Workshop	Phoenix Airport, Fenghuang Town, Sanya City	RC	824.72	Phoenix International Airport
9	San Tu Fang (2005) No. 1952	Dormitory Building No. 5	Phoenix Airport, Fenghuang Town, Sanya City	RC	5,103.05	Phoenix International Airport
10	San Tu Fang (2005) No. 1947	Port Joint Inspection Building	Phoenix Airport, Fenghuang Town, Sanya City	RC	4,944.09	Phoenix International Airport
11	San Tu Fang (2004) No. 1661	Dormitory Building No. 1	Phoenix Airport, Fenghuang Town, Sanya City	RC	1,638.32	Phoenix International Airport
12	San Tu Fang (2004) No. 1662	Fire Rescue Centre	Phoenix Airport, Fenghuang Town, Sanya City	RC	3,059.59	Phoenix International Airport
13	San Tu Fang (2004) No. 2356	Production Garage A.B.C.	Phoenix Airport, Fenghuang Town, Sanya City	RC	2,433.14	Phoenix International Airport
14	San Tu Fang (2004) No. 2370	Central Substation	Phoenix Airport, Fenghuang Town, Sanya City	RC	752.41	Phoenix International Airport
15	San Tu Fang (2004) No. 1664	Dormitory Building No. 3	Phoenix Airport, Fenghuang Town, Sanya City	RC	2,457.48	Phoenix International Airport
16	Qiong (2024) Sanya Real Estate Right No. 0010692	Air Traffic Control Building	Tongjing Village Management Area, Tianya District, Sanya City	RC	3,625.07	Phoenix International Airport
17	San Tu Fang (2015) No. 08696	Dormitory Building No. 4	Airport Road, Tianya District, Sanya City	RC	3,551.52	Phoenix International Airport
18	San Tu Fang (2005) No. 1949	Airport Police Building	Phoenix Airport, Fenghuang Town, Sanya City	RC	1,256.66	Phoenix International Airport
19	San Tu Fang (2013) No. 14210	New VIP Terminal	Airport Road, Fenghuang Town, Sanya City	RC	11,645.43	Phoenix International Airport

No.	Building Title Certificate No.	Building Name	Location	Structure	Area (m^2)	Registered Owner
20	San Tu Fang (2015) No. 08697	New Fire Control Centre	Airport Road, Tianya District, Sanya City	RC	3,674.74	Phoenix International Airport
21	Qiong (2016) Sanya Real Estate Right No. 0015717	Dormitory Building No. 6	Airport Road, Tianya District, Sanya City	RC	13,617.62	Phoenix International Airport
22	Qiong (2024) Sanya Real Estate Right No. 0010689	Refrigeration Station	Tongjing Village Management Area, Tianya District, Sanya City	RC	773.14	Phoenix International Airport
23	San Tu Fang (2004) No. 2362	East Lighting Substation	Fenghuang Village, Tongjing Management Area, Yanglan Town, Sanya City	RC	271.10	Phoenix International Airport
24	Qiong (2024) Sanya Real Estate Right No. 0010439	West Lighting Substation	Tongjing Village Management Area, Tianya District, Sanya City	RC	271.10	Phoenix International Airport
25	San Tu Fang (2004) No. 2365	Production Comprehensive Warehouse & Substation	Phoenix Airport, Fenghuang Town, Sanya City	RC	456.33	Phoenix International Airport
26	San Tu Fang (2004) No. 2366	Water Purification Station	Phoenix Airport, Fenghuang Town, Sanya City	RC	887.11	Phoenix International Airport
27	San Tu Fang (2004) No. 1663	Meteorological Centre & Water Supply Pump House	Phoenix Airport, Fenghuang Town, Sanya City	RC	959.60	Phoenix International Airport
28	San Tu Fang (2004) No. 2363	Office Complex Substation	Phoenix Airport, Fenghuang Town, Sanya City	RC	482.21	Phoenix International Airport
29	Qiong (2024) Sanya Real Estate Right No. 0010696	Maintenance Field Workshop	Tongjing Village Management Area, Tianya District, Sanya City	RC	553.55	Phoenix International Airport
30	San Tu Fang (2004) No. 2355	Chemical Warehouse	Phoenix Airport, Fenghuang Town, Sanya City	RC	189.23	Phoenix International Airport
31	San Tu Fang (2004) No. 2368	Incineration Station	Phoenix Airport, Fenghuang Town, Sanya City	RC	251.85	Phoenix International Airport
32	San Tu Fang (2004) No. 2367	Vehicle Filling Station	Phoenix Airport, Fenghuang Town, Sanya City	RC	298.52	Phoenix International Airport
33	Qiong (2024) Sanya Real Estate Right No. 0010698	Cargo Warehouse	Tongjing Village Management Area, Tianya District, Sanya City	RC	2,386.95	Phoenix International Airport
34	Qiong (2016) Sanya Real Estate Right No. 0015716	On-site Unit Comprehensive Office Building (New Canteen)	Airport Road, Tianya District, Sanya City	RC	9,800.05	Phoenix International Airport
35	Qiong (2016) Sanya Real Estate Right No. 0015718	Station-front Complex	Airport Road, Tianya District, Sanya City	RC	149,358.07	Phoenix International Airport
36	Qiong (2016) Sanya Real Estate Right No. 0004054	New Central Substation	Airport Road, Tianya District, Sanya City	RC	809.64	Phoenix International Airport
	Total				**317,511.50**	

- Land Use Rights Status of Buildings

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Purpose	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
1	Terminal (Phase I)	Qiong (2024) Sanya Real Estate Right No. 0010686	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	12,174.55	21 January 1991	21 January 2041	Phoenix International Airport
2	Dormitory Building No. 2	San Tu Fang (2004) No. 1665	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	964.26	1 July 1994	21 June 2064	Phoenix International Airport
3	East Extension T2 Terminal	Qiong (2024) Sanya Real Estate Right No. 0010444	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	18,515.00	21 January 1991	21 January 2041	Phoenix International Airport
4	Domestic Phase II Expansion Terminal	Qiong (2024) Sanya Real Estate Right No. 0010682	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	16,989.75	21 January 1991	21 January 2041	Phoenix International Airport
5	Airport Office Building	San Tu Fang (2004) No. 1667	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,059.07	1 August 1994	21 June 2064	Phoenix International Airport
6	International Terminal	San Tu Fang (2012) No. 006145	Tongjing Village Management Area, Fenghuang Town, Sanya City	Transfer	Airport Land	45,826.38	21 January 1991	21 January 2041	Phoenix International Airport
7	Dormitory Building No. 7	San Tu Fang (2012) No. 006146	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	10,403.62	1 August 1994	21 June 2064	Phoenix International Airport
8	Field Operations Workshop	San Tu Fang (2004) No. 2357	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	910.89	1 August 1994	21 June 2064	Phoenix International Airport
9	Dormitory Building No. 5	San Tu Fang (2005) No. 1952	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,195.12	1 August 1994	21 June 2064	Phoenix International Airport
10	Port Joint Inspection Building	San Tu Fang (2005) No. 1947	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,464.68	1 August 1994	21 June 2064	Phoenix International Airport
11	Dormitory Building No. 1	San Tu Fang (2004) No. 1661	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	964.26	1 July 1994	21 June 2064	Phoenix International Airport
12	Old Fire Control Centre	San Tu Fang (2004) No. 1662	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,660.10	1 August 1994	21 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Purpose	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
13	Production Garage	San Tu Fang (2004) No. 2356	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	5,602.83	1 August 1994	21 June 2064	Phoenix International Airport
14	Central Substation	San Tu Fang (2004) No. 2370	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	722.88	1 August 1994	21 June 2064	Phoenix International Airport
15	Dormitory Building No. 3	San Tu Fang (2004) No. 1664	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,082.88	21 June 1994	21 June 2064	Phoenix International Airport
16	Air Traffic Control Building	Qiong (2024) Sanya Real Estate Right No. 0010692	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	1,536.74	1 July 1994	21 January 2041	Phoenix International Airport
17	Dormitory Building No. 4	San Tu Fang (2015) No. 08696	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	1,685.04	30 June 2006	21 June 2064	Phoenix International Airport
18	Airport Police Building	San Tu Fang (2005) No. 1949	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	917.10	1 August 1994	21 June 2064	Phoenix International Airport
19	VIP Terminal	San Tu Fang (2013) No. 14210	Airport Road, Fenghuang Town, Sanya City	Transfer	Airport Land	52,337.99	21 June 1994	21 June 2064	Phoenix International Airport
20	New Fire Control Centre	San Tu Fang (2015) No. 08697	Airport Road, Tianya District, Sanya City	Transfer	Public Facilities Land	2,880.33	30 December 2014	11 May 2064	Phoenix International Airport
21	Dormitory Building No. 6	Qiong (2016) Sanya Real Estate Right No. 0015717	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	4,891.00	1 August 1994	21 June 2064	Phoenix International Airport
22	Terminal Refrigeration Station	Qiong (2024) Sanya Real Estate Right No. 0010689	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	491.83	1 August 1994	21 January 2041	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Purpose	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
23	East Lighting Substation	San Tu Fang (2004) No. 2362	Fenghuang Village, Tongjing Management Area, Yanglan Town, Sanya City	Transfer	Airport Land	364.74	1 August 1994	21 January 2041	Phoenix International Airport
24	West Lighting Substation	Qiong (2024) Sanya Real Estate Right No. 0010439	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	364.74	1 August 1994	21 January 2041	Phoenix International Airport
25	Production Comprehensive Warehouse	San Tu Fang (2004) No. 2365	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	665.68	1 August 1994	21 June 2064	Phoenix International Airport
26	Water Purification Station	San Tu Fang (2004) No. 2366	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,808.40	1 August 1994	21 June 2064	Phoenix International Airport
27	Meteorological Comprehensive Building	San Tu Fang (2004) No. 1663	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	843.29	1 August 1994	21 June 2064	Phoenix International Airport
28	Logistics Comprehensive Warehouse and Substation	San Tu Fang (2004) No. 2363	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	654.55	1 August 1994	21 June 2064	Phoenix International Airport
29	Maintenance Field Workshop	Qiong (2024) Sanya Real Estate Right No. 0010696	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	787.25	1 August 1994	21 January 2041	Phoenix International Airport
30	Chemical Warehouse	San Tu Fang (2004) No. 2355	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	271.93	1 August 1994	21 June 2064	Phoenix International Airport
31	Incineration Station	San Tu Fang (2004) No. 2368	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	336.17	1 August 1994	21 June 2064	Phoenix International Airport
32	Filling Station	San Tu Fang (2004) No. 2367	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	553.74	1 August 1994	21 June 2064	Phoenix International Airport
33	Cargo Building	Qiong (2024) Sanya Real Estate Right No. 0010698	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	3,856.87	1 May 1994	21 January 2041	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Purpose	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
34	Canteen Comprehensive Building	Qiong (2016) Sanya Real Estate Right No. 0015716	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	4,360.00	1 August 1994	21 June 2064	Phoenix International Airport
35	Parking Building Complex	Qiong (2016) Sanya Real Estate Right No. 0015718	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	72,669.00	1 August 1994	21 June 2064	Phoenix International Airport
36	New Central Substation No. 2 Switching Station	Qiong (2016) Sanya Real Estate Right No. 0004054	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	418.60	8 April 2016	21 June 2064	Phoenix International Airport
	Total					**275,231.26**			

- Encumbrance Status

As at the valuation benchmark date, buildings including the Domestic Terminal (Phase I) and Dormitory Building No. 2 were used as security for loan borrowings with an outstanding balance of 4,321.1189 million (including long-term loans due within one year). The specific mortgage details are as follows:

1. Phoenix International Airport mortgaged 1 item of fixed assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010686, to Shanghai Pudong Development Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

2. Phoenix International Airport mortgaged 1 item of fixed assets, with certificate No. San Tu Fang (2004) No. 1665, to Ping An Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

3. Phoenix International Airport mortgaged 1 item of fixed assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010682, to Agricultural Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

4. Phoenix International Airport mortgaged a total of 3 items of fixed assets, with certificate Nos. San Tu Fang (2004) No. 1667, San Tu Fang (2012) No. 006145, etc., to CIB Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

5. Phoenix International Airport mortgaged a total of 3 items of fixed assets, with certificate Nos. San Tu Fang (2004) No. 2357, San Tu Fang (2005) No. 1952, and San Tu Fang (2005) No. 1947, to Haikou Rural Commercial Bank Co., Ltd., Haikou Rural Credit Cooperative, Hainan Wenchang Rural Commercial Bank Co., Ltd., Qionghai Rural Credit Cooperative, Hainan Chengmai Rural Commercial Bank Co., Ltd., Danzhou Rural Credit Cooperative, Lingshui Li Autonomous County Rural Credit Cooperative, Baoting Li and Miao Autonomous County Rural Credit Cooperative, Ledong Li Autonomous County Rural Credit Cooperative, and Changjiang Li Autonomous County Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

6. Phoenix International Airport mortgaged a total of 11 items of fixed assets, with certificate Nos. San Tu Fang (2004) No. 1661, San Tu Fang (2004) No. 1662, etc., to China Development Bank Hainan Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

7. Phoenix International Airport mortgaged a total of 13 items of fixed assets, with certificate Nos. Qiong (2024) Sanya Real Estate Right No. 0010689, San Tu Fang (2004) No. 2362, etc., to Sanya Rural Commercial Bank Co., Ltd., Baoting Li and Miao Autonomous County Rural Credit Cooperative, Wanning Rural Credit Cooperative, Qionghai Rural Credit Cooperative, Dongfang Rural Credit Cooperative, and Wuzhishan Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

8. Phoenix International Airport mortgaged 1 item of fixed assets, with certificate No. Qiong (2016) Sanya Real Estate Right No. 0015718, to Bank of Communications Co., Ltd. Hainan Branch, with a mortgage/pledge term from 1 November 2021 to 21 December 2031.

9. Phoenix International Airport mortgaged 13 items of equipment-type fixed assets, including airport shuttle buses, to Guangzhou High-tech Zone Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

10. Phoenix International Airport mortgaged 13 items of equipment-type fixed assets, including aircraft tractors, to Cornerstone International Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

11. Phoenix International Airport mortgaged 78 items of equipment-type fixed assets, including baggage handling systems, to China Foreign Trade Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

(2) Structures and Other Ancillary Facilities

Structures and other ancillary facilities have an original book value of 1,646.1353 million and a net book value of 1,047.6605 million, comprising 126 items, mainly airfield pavement works and aprons, completed and put into use between 1994 and 2025. The main construction types are concrete pavement, asphalt and steel structures. Except for the East Gate Guard Post which has been demolished and the stainless steel guard booth which is in a scrap state, all other structures and ancillary facilities are in normal use and can meet the production and operation needs of the enterprise.

(3) Machinery and Equipment

Machinery and equipment have an original book value of 597.6785 million and a net book value of 347.5778 million, comprising 5,316 items (5,341 units/sets), mainly including boarding bridges, diesel engines, baggage handling systems, etc., distributed within Sanya Phoenix International Airport, with purchase and commissioning dates ranging from 1994 to 2025. Among these, 325 items of machinery and equipment including handheld 4G terminals are in a scrap state, with a total original book value of 11.8157 million and a total book value of 3.4407 million. The remaining machinery and equipment are in normal use and can meet the production and operation needs of the enterprise.

(4) Vehicles

Vehicles have an original book value of 344.463 million and a net book value of 176.1724 million, comprising 1,534 items (1,534 vehicles), mainly vehicles used for daily office and business operations, including aircraft tractors, shuttle buses, platform trucks, foam fire engines, etc., with purchase and commissioning dates ranging from 2005 to 2025. Among these, 335 vehicles including baggage tractors are in a scrap state, with a total original book value of 28.5728 million and a total book value of 1.6533 million. The remaining vehicles have not been involved in any major traffic accidents and are all in normal operation.

(5) Electronic Office Equipment

Electronic office equipment has an original book value of 179.6281 million and a net book value of 93.1594 million, comprising 13,412 items (13,564 units/sets), mainly electronic equipment for daily office and production use, including computers, printers, check-in counters, etc., distributed within Sanya Phoenix International Airport, with purchase and commissioning dates ranging from 1994 to 2025. Among these, 2,460 items of electronic office equipment including LCD monitors are in a scrap state, with a total original book value of 11.2778 million and a total book value of 1.2956 million. The remaining electronic office equipment is in normal use and can meet the production and operation needs of the enterprise.

4. Construction in Progress

Construction in progress has a book value of 13.2265 million, including civil engineering works and equipment installation works, with the accounting contents covering project engineering costs, other and preliminary costs, and equipment procurement costs. The projects are located within Sanya Phoenix International Airport and mainly include the Sanya Phoenix International Airport T3 Reconstruction and Expansion Airfield Works, the Sanya Phoenix International Airport New Control Tower and Supporting Air Traffic Control Facilities and Equipment, and the Sanya Phoenix International Airport Taxiway System Supplementary Surface Rehabilitation Project, among others. As at the valuation benchmark date, the Sanya Phoenix International Airport T3 Reconstruction and Expansion Airfield Works project had been completed, while the remaining assets were not yet completed.

- Long-term Equity Investments

Long-term equity investments have a book balance of 1,118.9916 million, impairment provision of 179.5056 million, and a book value of 939.4861 million, mainly comprising 4 controlled subsidiaries and 3 associates, as follows:

Monetary Unit: RMB10,000

No.	Investee Company Name	Investment Date	Subscribed Shareholding Ratio (%)	Investment Cost	Book Value
1	Sanya Airport Investment Development Co., Ltd.	July 2010	100	5,676.95	5,676.95
2	Sanya Phoenix International Airport Cargo Co., Ltd.	March 2000	51	235.18	153.06
3	Sanya Phoenix International Airport Terminal Services Co., Ltd.	September 2015	100	200.00	200.00
4	Sanya Phoenix Airport Bonded Logistics Co., Ltd.	November 2019	100	4,910.00	4,910.00
5	Xinhua Lianhang Airport Industry Investment Development Co., Ltd.	October 2013	31.2194	94,100.00	76,566.29
6	Hainan Pacific Petroleum Industry Co., Ltd.	March 1994	35.2958	12,960.60	23,617.14
7	Sanya Lufthansa Aviation Food Co., Ltd.	December 2005	6	289.58	775.73
	Book Balance			**118,372.32**	**111,899.16**
	Less: Impairment Provision			**0.00**	**17,950.56**
	Book Value			**118,372.32**	**93,948.61**

- Intangible Assets

(1) Software

A total of 125 software items are included in this valuation scope, with an original recorded value of 64.105 million and a net book value of 36.1692 million, mainly comprising the perimeter alarm system, access control management system, baggage full-process tracking system v1.0 software, etc., acquired between 2008 and 2025.

(2) Land Use Rights

A total of 91 parcels of land use rights are included in this valuation scope, with an original recorded value of 1,115.7946 million and a net book value of 788.6684 million. The parcels are located in Sanya City, Hainan Province, and the ownership certificate status is as follows:

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
1	International Terminal	San Tu Fang (2012) No. 006145	Tongjing Village Management Area, Fenghuang Town, Sanya City	Transfer	Airport Land	45,332.95	21 January 1991	21 January 2041	Phoenix International Airport
2	Dormitory Building No. 7	San Tu Fang (2012) No. 006146	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	10,403.62	1 August 1994	21 June 2064	Phoenix International Airport
3	Airport Office Building	San Tu Fang (2004) No. 1667	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,059.07	1 August 1994	21 June 2064	Phoenix International Airport
4	VIP Building (Old Building)	San Tu Fang (2005) No. 1921	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,488.59	21 June 1994	21 June 2064	Phoenix International Airport
5	Terminal (Phase I)	Qiong (2024) Sanya Real Estate Right No. 0010686	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Shipping	12,174.55	21 January 1991	21 January 2041	Phoenix International Airport
6	Domestic Phase II Expansion Terminal	Qiong (2024) Sanya Real Estate Right No. 0010682	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Shipping	16,989.75	21 January 1991	21 January 2041	Phoenix International Airport
7	East End Flood Discharge Channel	San Tu Fang (2013) No. 05259	Tongjing Village Management Area, Fenghuang Town, Sanya City	Transfer	Airport Land	135,019.97	10 June 1994	21 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
8	On-site Business Oil Depot	San Tu Fang (2005) No. 1101	Tongjing Meicun Management Area, Fenghuang Town, Sanya City	Transfer	Airport Land	61,739.76	21 June 1994	21 June 2064	Phoenix International Airport
9	Radio Transmitter Station	San Tu Fang (2005) No. 1946	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	30,700.09	21 January 1991	21 January 2041	Phoenix International Airport
10	Tongjing Meicun Management Area, Fenghuang Town, Sanya City	San Tu Fang (2005) No. 1100	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	680,499.56	1 August 1994	21 June 2064	Phoenix International Airport
11	Dormitory Building No. 2	San Tu Fang (2004) No. 1665	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	964.26	1 July 1994	21 June 2064	Phoenix International Airport
12	Airfield Main Works	Qiong (2023) Sanya Real Estate Right No. 0004645	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	2,548,033.35	21 January 1991	21 January 2041	Phoenix International Airport
13	French Garden	Qiong (2023) Sanya Real Estate Right No. 0005069	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	2,252.76	21 January 1991	21 January 2041	Phoenix International Airport
14	East Extension T2 Terminal	Qiong (2024) Sanya Real Estate Right No. 0010444	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Comprehensive	18,515.00	21 January 1991	21 January 2041	Phoenix International Airport
15	Field Operations Workshop	San Tu Fang (2004) No. 2357	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	910.89	1 August 1994	21 June 2064	Phoenix International Airport
16	Dormitory Building No. 5	San Tu Fang (2005) No. 1952	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,195.12	1 August 1994	21 June 2064	Phoenix International Airport
17	Port Joint Inspection Building	San Tu Fang (2005) No. 1947	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,464.68	1 August 1994	21 June 2064	Phoenix International Airport
18	Dormitory Building No. 4	San Tu Fang (2015) No. 08696	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	1,685.04	30 June 2006	21 June 2064	Phoenix International Airport
19	Dormitory Building No. 1	San Tu Fang (2004) No. 1661	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	964.26	1 July 1994	21 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
20	Dormitory Building No. 3	San Tu Fang (2004) No. 1664	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,082.88	21 June 1994	21 June 2064	Phoenix International Airport
21	Airport Police Building	San Tu Fang (2005) No. 1949	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	917.10	1 August 1994	21 June 2064	Phoenix International Airport
22	Old Fire Control Centre	San Tu Fang (2004) No. 1662	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,660.10	1 August 1994	21 June 2064	Phoenix International Airport
23	Air Traffic Control Building	Qiong (2024) Sanya Real Estate Right No. 0010692	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Shipping	1,536.74	1 July 1994	21 January 2041	Phoenix International Airport
24	Central Substation	San Tu Fang (2004) No. 2370	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	722.88	1 August 1994	21 June 2064	Phoenix International Airport
25	VIP Terminal	San Tu Fang (2013) No. 14210	Airport Road, Fenghuang Town, Sanya City	Transfer	Airport Land	52,337.99	21 June 1994	21 June 2064	Phoenix International Airport
26	Production Garage	San Tu Fang (2004) No. 2356	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	5,602.83	1 August 1994	21 June 2064	Phoenix International Airport
27	New Fire Control Centre	San Tu Fang (2015) No. 08697	Airport Road, Tianya District, Sanya City	Transfer	Public Facilities Land	2,880.33	30 December 2014	11 May 2064	Phoenix International Airport
28	Dormitory Building No. 6	Qiong (2016) Sanya Real Estate Right No. 0015717	Airport Road, Tianya District, Sanya City	Transfer	Airport Land/Residential	4,891.00	1 August 1994	21 June 2064	Phoenix International Airport
29	Access Road	San Tu Fang (2005) No. 1134	Tongjing Village Management Area, Fenghuang Town, Sanya City	Transfer	Civil Airport	119,509.83	1 August 1994	21 June 2064	Phoenix International Airport
30	Nanshan Road	San Tu Fang (2003) No. 2332	Nanshan Ridge, Yacheng Town, Sanya City	Transfer	Infrastructure	36,444.96	10 June 1994	9 June 2064	Phoenix International Airport
31	Nanshan Distance Measuring Station	San Tu Fang (2003) No. 2333	Nanshan Ridge, Yacheng Town, Sanya City	Transfer	Infrastructure	2,543.33	3 June 1991	3 June 2061	Phoenix International Airport
32	East Navigation Aid Lighting Area	San Tu Fang (2003) No. 2334	West side of Xinkaikai Team, Shuijiao Management Area, Fenghuang Town, Sanya City	Transfer	Infrastructure	1,491.50	3 June 1991	14 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
33	Pump House No. 3	San Tu Fang (2003) No. 2337	Tongjing Village, north side of Haiyu West Line, Fenghuang Town, Sanya City	Transfer	Infrastructure	158.95	10 June 1994	10 June 2064	Phoenix International Airport
34	Pump House No. 5 (demolished and compensated)	San Tu Fang (2003) No. 2339	Xigua Village, Fenghuang Town, Sanya City	Transfer	Infrastructure	1,062.21	10 June 1994	10 June 2064	Phoenix International Airport
35	Pump House No. 4 (demolished and compensated)	San Tu Fang (2003) No. 2340	Xigua Village, Fenghuang Town, Sanya City	Transfer	Infrastructure	1,782.36	10 June 1994	10 June 2064	Phoenix International Airport
36	West Near Station	San Tu Fang (2003) No. 2341	Tongjing Village, Fenghuang Town, Sanya City	Transfer	Infrastructure	2,179.99	3 June 1991	3 June 2061	Phoenix International Airport
37	West Navigation Aid Lighting Area	San Tu Fang (2003) No. 2342	Tongjingpo Village, Fenghuang Town, Sanya City	Transfer	Infrastructure	5,327.87	3 June 1991	14 June 2064	Phoenix International Airport
38	Pump Houses No. 1 & No. 2	San Tu Fang (2003) No. 2343	Haiyu West Line, Fenghuang Town, Sanya City	Transfer	Infrastructure	388.29	10 June 1994	10 June 2064	Phoenix International Airport
39	Baolong Homing Station	San Tu Fang (2003) No. 2344	State-owned Nandao Farm, Fenghuang Town, Sanya City	Transfer	Infrastructure	3,951.29	3 June 1994	3 June 2064	Phoenix International Airport
40	North Side Intercepting Drainage Ditch	San Tu Fang (2005) No. 1944	Fenghuang Village, Fenghuang Town, Sanya City	Transfer	Airport Land	7,502.25	21 January 1991	21 January 2041	Phoenix International Airport
41	Radio Transmitter Station Road	San Tu Fang (2005) No. 1945	Sanya Phoenix International Airport	Transfer	Airport Land	21,096.78	21 January 1991	21 January 2041	Phoenix International Airport
42	West End Flood Discharge Channel (2/2)	San Tu Fang (2005) No. 1963	Fenghuang Village, Fenghuang Town, Sanya City	Transfer	Airport Land	3,803.12	21 January 1991	21 January 2041	Phoenix International Airport
43	Central Line Flood Discharge Channel	Qiong (2025) Sanya Real Estate Right No. 0018571, Qiong (2025) Sanya Real Estate Right No. 0018569	Meicun Village Management Area, Tianya District, Sanya City	Transfer	Civil Airport	17,595.43	10 June 1994	25 August 2064	Phoenix International Airport
44	West End Flood Discharge Channel (1/2)	San Tu Fang (2005) No. 1962	Fenghuang Village, Fenghuang Town, Sanya City	Transfer	Airport Land	15,992.69	21 January 1991	21 January 2041	Phoenix International Airport
45	Building No. 5 (formerly Beiya Garage)	San Tu Fang (2005) No. 1948	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	2,285.01	1 August 1994	21 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
46	Cargo Building	Qiong (2024) Sanya Real Estate Right No. 0010698	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land	3,856.87	1 May 1994	21 January 2041	Phoenix International Airport
47	Maintenance Field Workshop	Qiong (2024) Sanya Real Estate Right No. 0010696	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Shipping	787.25	1 August 1994	21 January 2041	Phoenix International Airport
48	West Lighting Substation	Qiong (2024) Sanya Real Estate Right No. 0010439	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Shipping	364.74	1 August 1994	21 January 2041	Phoenix International Airport
49	Terminal Refrigeration Station	Qiong (2024) Sanya Real Estate Right No. 0010689	Tongjing Village Management Area, Tianya District, Sanya City	Transfer	Airport Land/Shipping	491.83	1 August 1994	21 January 2041	Phoenix International Airport
50	East Lighting Substation	San Tu Fang (2004) No. 2362	Fenghuang Village, Tongjing Management Area, Yanglan Town, Sanya City	Transfer	Airport Land	364.74	1 August 1994	21 January 2041	Phoenix International Airport
51	Logistics Comprehensive Warehouse and Substation	San Tu Fang (2004) No. 2363	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	654.55	1 August 1994	21 June 2064	Phoenix International Airport
52	Administrative Garage	San Tu Fang (2004) No. 2364	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,927.09	1 August 1994	21 June 2064	Phoenix International Airport
53	Production Comprehensive Warehouse	San Tu Fang (2004) No. 2365	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	665.68	1 August 1994	21 June 2064	Phoenix International Airport
54	Water Purification Station	San Tu Fang (2004) No. 2366	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,808.40	1 August 1994	21 June 2064	Phoenix International Airport
55	Meteorological Comprehensive Building	San Tu Fang (2004) No. 1663	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	843.29	1 August 1994	21 June 2064	Phoenix International Airport
56	Chemical Warehouse	San Tu Fang (2004) No. 2355	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	271.93	1 August 1994	21 June 2064	Phoenix International Airport
57	Filling Station	San Tu Fang (2004) No. 2367	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	553.74	1 August 1994	21 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
58	Incineration Station	San Tu Fang (2004) No. 2368	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	336.17	1 August 1994	21 June 2064	Phoenix International Airport
59	Building No. 2 (formerly Beiya Maintenance Field Workshop)	San Tu Fang (2005) No. 1950	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	845.63	1 August 1994	21 June 2064	Phoenix International Airport
60	Building No. 4 (formerly Beiya Charging and Oxygen Cooling Room)	San Tu Fang (2005) No. 1951	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,449.90	1 August 1994	21 June 2064	Phoenix International Airport
61	Former Guangtouling 1	San Tu Fang (2013) No. 05260	Tongjing Village Management Area, Fenghuang Town, Sanya City	Transfer	Airport Land	7,258.75	–	19 March 2039	Phoenix International Airport
62	Former Guangtouling 2	San Tu Fang (2013) No. 05261	Tongjing Village Management Area, Fenghuang Town, Sanya City	Transfer	Airport Land	14,808.48	–	19 March 2039	Phoenix International Airport
63	Power Station	San Tu Fang (2013) No. 14211	Airport Road, Fenghuang Town, Sanya City	Transfer	Airport Land	2,874.38	21 June 1994	21 June 2064	Phoenix International Airport
64	Foreign Airlines Office Building	San Tu Fang (2015) No. 08698	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	493.43	15 December 2008	21 January 2041	Phoenix International Airport
65	Canteen Comprehensive Building	Qiong (2016) Sanya Real Estate Right No. 0015716	Airport Road, Tianya District, Sanya City	Transfer	Airport Land/Comprehensive	4,360.00	1 August 1994	21 June 2064	Phoenix International Airport
66	Parking Building Complex	Qiong (2016) Sanya Real Estate Right No. 0015718	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	72,669.00	1 August 1994	21 June 2064	Phoenix International Airport
67	East Far Station	San Tu Fang (2003) No. 2335	Baopo Management Area, Hedong District, Sanya City	Transfer	Infrastructure	3,240.06	3 June 1991	3 June 2061	Phoenix International Airport
68	East Near Station	San Tu Fang (2003) No. 2336	Xinkaitian Village, Fenghuang Town, Sanya City	Transfer	Infrastructure	2,188.43	3 June 1991	3 June 2061	Phoenix International Airport
69	Parking Lot Warehouse (Command Center and Warehouse)	San Tu Fang (2003) No. 2338	Haiyu West Line, Fenghuang Town, Sanya City	Transfer	Infrastructure	13,345.44	11 May 1994	11 May 2064	Phoenix International Airport
70	New Central Substation No. 2 Switching Station	Qiong (2016) Sanya Real Estate Right No. 0004054	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	418.60	8 April 2016	21 June 2064	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
71	Logistics Comprehensive Support Land	San Tu Fang (2014) No. 14868	Wanmu Base, Yanglan Community, Fenghuang Town, Sanya City	Allocation	Airport Land	1,736.61	1 March 2010	–	Phoenix International Airport
72	Access Road Greenery Land	San Tu Fang (2005) No. 3080	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	2,186.07	10 June 1994	–	Phoenix International Airport
73	Access Road Greenery Land	San Tu Fang (2005) No. 3081	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	4,240.07	10 June 1994	–	Phoenix International Airport
74	Access Road Greenery Land	San Tu Fang (2005) No. 3082	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	2,855.43	10 June 1994	–	Phoenix International Airport
75	Access Road Greenery Land	San Tu Fang (2005) No. 3083	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	7,126.49	10 June 1994	–	Phoenix International Airport
76	Access Road Greenery Land	San Tu Fang (2005) No. 3084	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	2,783.23	10 June 1994	–	Phoenix International Airport
77	Access Road Greenery Land	San Tu Fang (2005) No. 3085	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	36,213.10	10 June 1994	–	Phoenix International Airport
78	Access Road Greenery Land	San Tu Fang (2005) No. 3086	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	6,438.65	10 June 1994	–	Phoenix International Airport
79	Access Road Greenery Land	San Tu Fang (2005) No. 3087	Access Road, Phoenix Airport, Fenghuang Town, Sanya City	Allocation	Green Space	15,623.56	10 June 1994	–	Phoenix International Airport
80	Airport Apron Expansion Land II	Qiong (2025) Sanya Real Estate Right No. 0018583	Meicun Village Management Area, Tianya District, Sanya City	Allocation	Civil Airport	119,084.07	10 June 1994	–	Phoenix International Airport
81	Airport Apron Expansion Land III	Qiong (2025) Sanya Real Estate Right No. 0018921	Airport Road, Tianya District, Sanya City	Allocation	Airport Land	6,833.52	10 June 1994	–	Phoenix International Airport
82	Airport Apron Expansion Land IV	Qiong (2025) Sanya Real Estate Right No. 0018922	Airport Road, Tianya District, Sanya City	Allocation	Airport Land	51,020.25	10 June 1994	–	Phoenix International Airport
83	Runway 26 & 08 Navigation System Facilities Land I	San Tu Fang (2015) No. 09999	West side of Phoenix International Airport, Tianya District, Sanya City	Allocation	Airport Land	2,563.75	20 August 2015	–	Phoenix International Airport

No.	Parcel Name	Land Use Right Certificate No.	Location	Use Right Type	Uses	Area (m^2)	Acquisition Date	Expiry Date	Registered Owner
84	Runway 26 & 08 Navigation System Facilities Land II	San Tu Fang (2015) No. 10000	West side of Airport Road, Tianya District, Sanya City	Allocation	Airport Land	272,342.88	20 August 2015	–	Phoenix International Airport
85	Runway 26 & 08 Navigation System Facilities Land III	San Tu Fang (2015) No. 10001	West side of Phoenix International Airport, Tianya District, Sanya City	Allocation	Airport Land	13,595.13	20 August 2015	–	Phoenix International Airport
86	Runway 26 & 08 Navigation System Facilities Land IV	San Tu Fang (2015) No. 10002	West side of Phoenix International Airport, Tianya District, Sanya City	Allocation	Airport Land	2,315.90	20 August 2015	–	Phoenix International Airport
87	Runway 26 & 08 Navigation System Facilities Land V	San Tu Fang (2015) No. 10003	West side of Phoenix International Airport, Tianya District, Sanya City	Allocation	Airport Land	5,827.95	20 August 2015	–	Phoenix International Airport
88	Land Exchanged with China Southern Airlines I	Qiong (2025) Sanya Real Estate Right No. 0015044	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	40,562.48	16 March 2008	11 April 2073	Phoenix International Airport
89	Land Exchanged with China Southern Airlines II	Qiong (2025) Sanya Real Estate Right No. 0015046	Airport Road, Tianya District, Sanya City	Transfer	Airport Land	876.51	16 March 2008	11 April 2073	Phoenix International Airport
90	Old Canteen	San Tu Fang (2004) No. 2369	Phoenix Airport, Fenghuang Town, Sanya City	Transfer	Airport Land	1,567.00	1 August 1994	21 June 2064	Phoenix International Airport
91	West Area Apron Expansion Land Acquisition	Qiong (2020) Sanya Real Estate Right No. 0005511	Meicun Village Committee, Tianya District, Sanya City	Allocation	Airport Land	89,786.75	27 April 2020	–	Phoenix International Airport
	Total					**4,711,598.76**			

- Land Utilisation Status

The land development level for the Canteen Comprehensive Building and Parking Building Complex is "six connections and site levelling" both inside and outside the red line. For the remaining parcels, the land development level is "five connections and site levelling" (water supply, drainage, road, electricity, telecommunications and site levelling) both inside and outside the red line. Buildings including the Domestic Terminal (Phase I), Dormitory Building No. 2 and the Domestic East Extension T2 Terminal are constructed on the land.

- Encumbrance Status

As at the valuation benchmark date, buildings including the Domestic Terminal (Phase I) and Dormitory Building No. 2 were used as security for loan borrowings with an outstanding balance of 4,321.1189 million (including long-term loans due within one year). The specific mortgage details are as follows:

1. Phoenix International Airport mortgaged 1 item of intangible assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010686, to Shanghai Pudong Development Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

2. Phoenix International Airport mortgaged a total of 3 items of intangible assets, with certificate Nos. San Tu Fang (2004) No. 1665, San Tu Fang (2005) No. 1100, and Qiong (2023) Sanya Real Estate Right No. 0004645, to Ping An Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

3. Phoenix International Airport mortgaged 1 item of intangible assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010682, to Agricultural Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

4. Phoenix International Airport mortgaged a total of 4 items of intangible assets, with certificate Nos. San Tu Fang (2004) No. 1667, San Tu Fang (2012) No. 006145, etc., to CIB Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

5. Phoenix International Airport mortgaged a total of 3 items of intangible assets, with certificate Nos. San Tu Fang (2004) No. 2357, San Tu Fang (2005) No. 1952, and San Tu Fang (2005) No. 1947, to Haikou Rural Commercial Bank Co., Ltd., Haikou Rural Credit Cooperative, Hainan Wenchang Rural Commercial Bank Co., Ltd., Qionghai Rural Credit Cooperative, Hainan Chengmai Rural Commercial Bank Co., Ltd., Danzhou Rural Credit Cooperative, Lingshui Li Autonomous County Rural Credit Cooperative, Baoting Li and Miao Autonomous County Rural Credit Cooperative, Ledong Li Autonomous County Rural Credit Cooperative, and Changjiang Li Autonomous County Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

6. Phoenix International Airport mortgaged a total of 12 items of intangible assets, with certificate Nos. San Tu Fang (2004) No. 1661, San Tu Fang (2004) No. 1662, etc., to China Development Bank Hainan Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

7. Phoenix International Airport mortgaged a total of 36 items of intangible assets, with certificate Nos. Qiong (2024) Sanya Real Estate Right No. 0010689, San Tu Fang (2004) No. 2362, etc., to Sanya Rural Commercial Bank Co., Ltd., Baoting Li and Miao Autonomous County Rural Credit Cooperative, Wanning Rural Credit Cooperative, Qionghai Rural Credit Cooperative, Dongfang Rural Credit Cooperative, and Wuzhishan Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

8. Phoenix International Airport mortgaged 1 item of intangible assets, with certificate No. Qiong (2016) Sanya Real Estate Right No. 0015718, to Bank of Communications Co., Ltd. Hainan Branch, with a mortgage/pledge term from 1 November 2021 to 21 December 2031.

9. Phoenix International Airport mortgaged a total of 3 items of intangible assets, with certificate Nos. San Tu Fang (2013) No. 05259, San Tu Fang (2005) No. 1101, and San Tu Fang (2005) No. 1946, to Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

Note: Among the 12 mortgaged assets mortgaged to China Development Bank Hainan Branch under item 6 above, there is a land use right numbered San Tu Fang (2003) No. 2338, in respect of which there is an inconsistency between the mortgage registration documents and the list of mortgaged assets under the debt agreement. According to the real estate registration archives retrieved on-site from the Sanya Real Estate Registration Centre on 29 January 2026, this land use right has been registered as mortgaged, with the mortgage registration certificate number being Qiong (2024) Sanya Real Estate Certificate No. 0010380. However, according to the list of mortgaged assets in the annex to the "Debt Retention Agreement" signed in December 2021 between Phoenix International Airport (mortgagor) and China Development Bank Hainan Branch (mortgagee), this land asset was not included in the list.

– Yichang Sanxia International Airport Co., Ltd.

(1) Business License Registration Information

Enterprise Name: Yichang Sanxia International Airport Co., Ltd.;

Unified Social Credit Code: 91420500735198636Y;

Type: Limited Liability Company;

Registered Address: Xiaoting District, Yichang City (Sanxia Airport);

Legal Representative: Xu Zuoqiang;

Registered Capital: RMB325,102,040.82;

Date of Establishment: 18 January 2002;

Operation Term: 18 January 2002 to 18 January 2052;

Business Scope: Licensed Activities: Civil airport operations; civil aircraft maintenance; construction works; warehousing services for goods under customs supervision (excluding hazardous chemicals and dangerous goods); catering services; retail sale of publications; retail sale of tobacco products; sale of food; sale of duty-free goods; retail sale of medicines. (For items subject to statutory approval, business operations may only commence following approval by the relevant authorities; specific business items shall be subject to the approval documents or licences issued by the relevant authorities.) General Items: Passenger ticketing agency services; domestic freight forwarding; international air freight forwarding; advertising design, agency services and advertising placement; sale of general merchandise; retail sale of arts and crafts and collectables (excluding ivory and articles made thereof); retail sale of clothing and accessories; retail sale of footwear and headwear; car park services; general goods warehousing services (excluding hazardous chemicals and other items requiring licensing or approval); business management; sale of building materials; sale of infant formula and other infant formula foods; retail sale of cosmetics; sale of health foods (pre-packaged); retail sale of aquatic products; business training (excluding educational training, vocational skills training and other forms of training requiring a licence); human resources services (excluding employment agency activities and labour dispatch services). (Apart from licensed business activities, the company may independently engage in business activities not prohibited or restricted by laws and regulations in accordance with the law.)

(2) Shareholding Structure

As at the valuation benchmark date, the shareholding structure is as follows:

No.	Shareholder Information	Shareholding Ratio *(%)*	Subscribed Capital Contribution *(RMB10,000)*
1	Yichang Finance and Economy Development Investment Co., Ltd.	51.00	16,580.204
2	Hainan Airport Holdings Operation Management Co., Ltd.	49.00	15,930.000
	Total	**100.00**	**32,510.204**

(3) Assets, Liabilities and Financial Position

Summary of Assets, Liabilities and Financial Position

Monetary Unit: RMB10,000

Assets/Liabilities Items	31 December 2024	31 December 2025
Current Assets	24,964.58	29,044.80
Non-current Assets	271,637.05	276,348.06
Total Assets	**296,601.64**	**305,392.86**
Current Liabilities	73,319.24	81,585.93
Non-current Liabilities	104,234.23	105,591.73
Total Liabilities	**177,553.47**	**187,177.66**
Shareholders' Equity	**119,048.17**	**118,215.20**

Income Statement Items	2024	2025
Operating Revenue	18,155.36	21,564.05
Operating Costs	46,156.78	49,224.06
Operating Profit	-8,384.51	-7,846.82
Total Profit	-8,468.35	-7,958.63
Net Profit	-8,467.95	-7,958.30
Audit Opinion Type	**Unqualified Opinion**	**Unqualified Opinion**
Audit Firm	ShineWing Certified Public Accountants LLP	ShineWing Certified Public Accountants LLP

– Dongying Shengli Airport

(1) Business License Registration Information

Enterprise Name: Dongying Shengli Airport Management Co., Ltd.;

Unified Social Credit Code: 91370500562529790E;

Type: Limited Liability Company;

Registered Address: East of Xinhe Road, South of 25th Village (Yong'an Town, Kenli County), Kenli District, Dongying City, Shandong Province;

Legal Representative: Wang Chunhua;

Registered Capital: RMB1,250,000;

Date of Establishment: 27 September 2010;

Operation Term: 27 September 2010 to 27 September 2060;

Business Scope: Airport ground handling services (where any of the above business activities are subject to approval under laws and regulations, they shall be conducted in accordance with the relevant approval documents) (business activities requiring approval in accordance with the law may only be carried out after approval has been granted by the relevant authorities).

(2) Shareholding Structure

As at the valuation benchmark date, the shareholding structure is as follows:

No.	Shareholder Information	Shareholding Ratio *(%)*	Subscribed Capital Contribution *(RMB10,000)*
1	Shandong Airport Management Group Dongying Airport Co., Ltd.	80.00	100.00
2	Hainan Airport Holdings Operation Management Co., Ltd.	20.00	25.00
	Total	**100.00**	**125.00**

(3) Assets, Liabilities and Financial Position

Summary of Assets, Liabilities and Financial Position (Standalone)

Monetary Unit: RMB10,000

Assets/Liabilities Items	31 December 2024	31 December 2025
Current Assets	12,947.90	12,237.93
Non-current Assets	20,871.34	20,969.18
Total Assets	**33,819.24**	**33,207.11**
Current Liabilities	12,546.23	14,202.46
Non-current Liabilities	4,121.11	3,616.42
Total Liabilities	**16,667.34**	**17,818.87**
Shareholders' Equity	**17,151.90**	**15,388.24**
Income Statement Items	**2024**	**2025**
Operating Revenue	5,242.20	5,948.87
Operating Costs	4,121.44	7,324.15
Operating Profit	-1,472.73	-2,202.87
Total Profit	-1,463.39	-2,235.21
Net Profit	-1,463.39	-2,235.21
Audit Opinion Type	**Not Applicable**	**Not Applicable**
Audit Firm	Unaudited	Unaudited

(IV) Intangible Assets Recorded or Unrecorded in the Books as Declared by the Enterprise

The enterprise has not declared any intangible assets recorded in the books or unrecorded in the books.

(V) Types and Quantities of Off-balance-sheet Assets Declared by the Enterprise

During this valuation process, the asset valuation professionals have reminded the enterprise to inspect and declare all assets owned by it. Other than the assets recorded above, the enterprise has undertaken that there are no other assets owned but not recorded in the books.

(VI) Types, Quantities and Book Amounts of Assets Involved in Conclusions of Reports Issued by Other Institutions Cited

In this valuation, the audited financial data from the unqualified audit report numbered "Tian Zhi Ye Zi (2026) No. 30143" issued by Baker Tilly China (Special General Partnership) has been cited as the book value of the valuation object.

In this valuation, the data from the asset valuation reports numbered "Zhong Wei Zheng Xin Ping Bao Zi (2026) No. 5046" and "Zhong Wei Zheng Xin Ping Bao Zi (2026) No. 5047" issued by Zhong Wei Zheng Xin (Beijing) Assets Appraisal Co., Ltd.(中威正信(北京)資產評估有限公司) were cited as the appraised value of the investment properties.

Other than the above, no content from other institutional reports has been cited.

V. TYPE OF VALUE

Based on the valuation purpose, market conditions, the characteristics of the valuation object itself and other factors, as well as the relevance between the type of value and the valuation assumptions, the type of value for this asset valuation is determined as: Market Value.

The meaning of market value: It is the estimated amount of value for the valuation object to be exchanged in a normal fair transaction on the valuation benchmark date, between a willing buyer and a willing seller, each acting rationally and without any compulsion.

VI. VALUATION BENCHMARK DATE

The valuation benchmark date is 31 December 2025.

This valuation benchmark date is the closest to the actual commencement date of the economic activities, can properly reflect the asset status, and meets the purpose of this valuation. This benchmark date is the accounting settlement date of the entity under valuation, which can comprehensively reflect the overall status of various assets and liabilities of the valuation object, and is conducive to asset verification. After consultation with the principal and the entity under valuation, this date was jointly determined as the valuation benchmark date.

The price standards adopted in this valuation are all price standards in effect or valid as at the valuation benchmark date.

VII. VALUATION BASIS

The laws and regulations of the state, local governments and relevant authorities followed in this asset valuation work, as well as the reference materials used in the valuation, mainly include:

(I) Economic activities Basis

The request regarding the signing of the relevant commission contract between Hainan Ruigang Logistics Co., Ltd. and Beijing YaChao Assets Appraisal Co., Ltd. in respect of the asset valuation of the equity interests in Hainan Airport Holdings Operation Management Co., Ltd. in June 2026.

(II) Legal and Regulatory Basis

1. Asset Valuation Law of the PRC (passed at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);

2. Measures for the Financial Supervision and Administration of the Asset Valuation Industry (Ministry of Finance Order No. 97, 2 January 2019);

3. Company Law of the PRC (revised at the 7th Session of the Standing Committee of the 14th National People's Congress on 29 December 2023);

4. Civil Code of the PRC (passed by the 3rd Session of the 13th National People's Congress on 28 May 2020);

5. Enterprise State-owned Assets Law of the PRC (passed at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);

6. Securities Law of the PRC (revised for the 2nd time at the 15th Session of the Standing Committee of the 13th National People's Congress on 28 December 2019);

7. Enterprise Income Tax Law of the PRC (revised by the decision of the 7th Session of the Standing Committee of the 13th National People's Congress on 29 December 2018);

8. Measures for the Administration of State-owned Assets Valuation (State Council Order No. 91, 16 November 1991, revised in accordance with the "Decision of the State Council on Amending and Repealing Certain Administrative Regulations" on 29 November 2020);

9. Implementing Rules for the Measures for the Administration of State-owned Assets Valuation (Guo Zi Ban Fa (1992) No. 36, 18 July 1992);

10. Measures for the Supervision and Administration of the Transfer of State-owned Assets of Enterprises (State-owned Assets Supervision and Administration Commission/Ministry of Finance Order No. 32, 24 June 2016);

11. Interim Measures for the Administration of State-owned Assets Valuation of Enterprises (State-owned Assets Supervision and Administration Commission Order No. 12, 25 August 2005);

12. Provisions on Certain Issues Concerning the Administration of State-owned Assets Valuation (Ministry of Finance Order No. 14, 31 December 2001);

13. Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (State Council Order No. 709, revised on 2 March 2019);

14. Guidelines for the Filing of State-owned Assets Valuation Projects of Enterprises (Guo Zi Fa Chan Quan (2013) No. 64, 10 May 2013);

15. Notice on Issues Concerning Strengthening the Administration of State-owned Assets Valuation of Enterprises (State-owned Assets Supervision and Administration Commission Chan Quan (2006) No. 274, 12 December 2006);

16. Notice on Matters Concerning the Review of State-owned Assets Valuation Reports of Enterprises (Guo Zi Chan Quan (2009) No. 941, 11 September 2009);

17. Guidelines for the Approval of Valuation Projects of Central State-owned Assets (Guo Zi Fa Chan Quan (2010) No. 71, 25 May 2010);

18. Value-added Tax Law of the PRC (passed at the 13th Session of the Standing Committee of the 14th National People's Congress on 25 December 2024, effective from 1 January 2026, repealing the Interim Regulations on Value-added Tax of the PRC simultaneously);

19. Notice of the Ministry of Finance and the State Administration of Taxation on the Corporate Income Tax Treatment Policy for the Appreciation of Assets Valuation in Enterprise Restructuring and Listing (Cai Shui [2019] No. 62, 2 August 2019);

20. Review Manual for State-owned Assets Valuation Reports of Enterprises in Shanghai (Hu Guo Zi Wei Ping Gu [2018] No. 353);

21. Other laws and regulations related to asset valuation.

(III) Standard Basis

1. Basic Standards for Asset Valuation (Cai Zi [2017] No. 43, 1 October 2017);

2. Professional Ethics Standards for Asset Valuation (Zhong Ping Xie [2017] No. 30, 1 October 2017);

3. Asset Valuation Practice Standards – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36, 1 January 2019);

4. Asset Valuation Practice Standards – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35, 4 December 2019);

5. Asset Valuation Practice Standards – Asset Valuation Commission Contracts (Zhong Ping Xie [2017] No. 33, 1 October 2017);

6. Asset Valuation Practice Standards – Asset Valuation Reports (Zhong Ping Xie [2018] No. 35, 1 January 2019);

7. Asset Valuation Practice Standards – Asset Valuation Archives (Zhong Ping Xie [2018] No. 37, 1 January 2019);

8. Asset Valuation Practice Standards – Enterprise Value (Zhong Ping Xie [2018] No. 38, 1 January 2019);

9. Asset Valuation Practice Standards – Intangible Assets (Zhong Ping Xie [2017] No. 37, 1 October 2017);

10. Asset Valuation Practice Standards – Real Estate (Zhong Ping Xie [2017] No. 38, 1 October 2017);

11. Asset Valuation Practice Standards – Machinery and Equipment (Zhong Ping Xie [2017] No. 39, 1 October 2017);

12. Asset Valuation Practice Standards – Utilising Expert Work and Related Reports (Zhong Ping Xie [2017] No. 35, 1 October 2017);

13. Guidelines for Business Quality Control of Asset Valuation Institutions (Zhong Ping Xie [2017] No. 46);

14. Guidelines for State-owned Assets Valuation Reports of Enterprises (Zhong Ping Xie [2017] No. 42, 1 October 2017);

15. Guidance on Types of Value in Asset Valuation (Zhong Ping Xie [2017] No. 47, 1 October 2017);

16. Guidance on Legal Ownership of Asset Valuation Objects (Zhong Ping Xie [2017] No. 48, 1 October 2017);

17. Asset Valuation Standard Terminology 2020 (Zhong Ping Xie [2020] No. 31, 25 November 2020);

18. Accounting Standards for Business Enterprises – Basic Standard (Ministry of Finance of the PRC Order No. 76, 23 July 2014).

(IV) Ownership Basis

1. Investment contracts and articles of association of investee companies;

2. Other relevant ownership certificates.

(V) Pricing Basis

1. Information provided by the enterprise:

(1) Financial statements and audit reports of the enterprise for the valuation benchmark date and prior years;

2. Information collected by the asset valuation institution:

(1) "Handbook of Commonly Used Data and Parameters for Asset Valuation" (China Machine Press);

(2) IFIND Information;

(3) On-site inspection records and data of asset valuation professionals;

(4) Valuation-related materials collected by asset valuation professionals themselves;

(5) Benchmark land prices and other materials related to this valuation.

(VI) Other Basis

1. Asset Valuation Commission Contract signed between Beijing YaChao Assets Appraisal Co., Ltd. and Hainan Ruigang Logistics Co., Ltd. – "Beijing YaChao Ping Wei Zi (2026) No. A066";

2. Asset list and asset valuation declaration forms provided by the principal and the entity under valuation.

VIII. VALUATION METHOD

(I) Basis for Selection of Valuation Method

1. Article 16 of the "Basic Standards for Asset Valuation": "The valuation methods for determining asset values include the market approach, income approach and cost approach, being the three basic methods, and their derivative methods. Asset valuation professionals shall, based on factors such as the valuation purpose, valuation object, type of value and data collection, analyse the applicability of the above three basic methods and select the valuation method in accordance with the law."

2. Article 21 of the "Asset Valuation Practice Standards – Asset Valuation Methods": "Asset valuation professionals shall have thorough knowledge of, understand and properly select valuation methods. When selecting valuation methods, asset valuation professionals shall fully consider the factors affecting the selection. Factors to be considered in selecting valuation methods include: valuation purpose and type of value; valuation object; applicable conditions of valuation methods; quality and quantity of data supporting the application of valuation methods; and other factors affecting the selection."

3. Article 17 of the "Asset Valuation Practice Standards – Enterprise Value": "In performing enterprise value valuation engagements, the applicability of the three basic methods – income approach, market approach and cost approach (asset-based approach) – shall be analysed based on factors such as valuation purpose, valuation object, type of value and data collection, and the valuation method shall be selected."

4. Article 18 of the "Asset Valuation Practice Standards – Enterprise Value": "For cases where different valuation methods are suitable for enterprise value valuation, asset valuation professionals shall adopt two or more valuation methods for the valuation."

(II) Basic Valuation Methods

Asset valuation methods include the three basic methods – market approach, income approach and asset-based approach – as well as their derivative methods. Asset valuation professionals shall, based on factors such as valuation purpose, valuation object, type of value, data collection and applicable conditions of valuation methods, analyse the applicability of the above three basic methods and select the valuation method in accordance with the law.

1. Asset-based Approach

The asset-based approach in enterprise value valuation refers to the valuation method that determines the value of the valuation object on the basis of the balance sheet of the entity under valuation as at the valuation benchmark date, by valuing the on-balance-sheet and identifiable off-balance-sheet assets and liabilities.

2. Income Approach

The income approach in enterprise value valuation refers to the valuation method that determines the value of the valuation object by capitalising or discounting expected income. Asset valuation professionals shall properly consider the applicability of the income approach in light of the historical operating conditions of the entity under valuation, the predictability of future income, and the sufficiency of valuation data obtained.

The commonly used specific methods under the income approach include the dividend discount method and the discounted cash flow method.

The dividend discount method is a specific method that determines the value of the valuation object by discounting expected dividends, and is generally applicable to the valuation of partial equity interests of shareholders without controlling rights. The discounted cash flow method generally includes the enterprise free cash flow discount model and the equity free cash flow discount model. Asset valuation professionals shall properly select the cash flow discount model based on the industry, operating model, capital structure, development trends, etc. of the entity under valuation.

3. Market Approach

The market approach in enterprise value valuation refers to the valuation method that determines the value of the valuation object by comparing the valuation object with comparable listed companies or comparable transaction cases. Asset valuation professionals shall consider the applicability of the market approach based on the sufficiency and reliability of the operating and financial data of comparable enterprises obtained, and the number of comparable enterprises that can be collected.

The two commonly used specific methods under the market approach are the listed company comparison method and the transaction case comparison method.

The listed company comparison method is a specific method that determines the value of the valuation object by obtaining and analysing the operating and financial data of comparable listed companies, calculating value ratios, and comparing them with the entity under valuation.

The transaction case comparison method is a specific method that determines the value of the valuation object by obtaining and analysing data on the purchase, sale, acquisition and merger cases of comparable enterprises, calculating value ratios, and comparing them with the entity under valuation.

(III) Selection of Valuation Method

Analysis of the applicability of the three valuation methods for this valuation:

1. Applicability Analysis of the Asset-based Approach

Considering that the accounting practices of the entity under valuation are relatively standardized, the asset and liability information is obtainable, each item of assets and liabilities can be identified and individually appraised using appropriate methods, and on-site inspection procedures can also be performed, the asset-based approach has been adopted for this valuation.

2. Applicability Analysis of the Income Approach

The entity under valuation serves solely as a shareholding vehicle. It has no independent business operations, no operating assets, and no independent revenue source – it realises returns solely through dividends from its three subordinate airport companies. It is therefore unable to generate complete and sustainable operating cash flows independently and does not satisfy the fundamental conditions for conducting income approach projections on a standalone parent company basis. Accordingly, the income approach is not applicable for this valuation.

3. Applicability Analysis of the Market Approach

The entity under valuation serves solely as a shareholding platform. It has no operational assets of its own, no independent operating revenue, personnel or business, and derives all of its value from equity investments in the three subordinate airport companies. The market approach typically applies to targets which are operating entities with complete and independent operating systems. A pure shareholding shell company has no directly comparable equity transaction samples, and it is not possible to construct a comparable adjustment framework based on transaction prices of the equity interests of a shell company. Accordingly, the market approach is not applicable for this valuation.

In summary, based on the valuation purpose, the asset-based approach has been selected for this valuation.

(IV) Technical Approach of the Selected Valuation Method

- ***Asset-based Approach***

The asset-based approach in enterprise value valuation refers to the use of appropriate methods to value assets and liabilities to arrive at the appraised value of the entire shareholders' equity.

The valuation methods for specific types of assets and liabilities are as follows:

1. Monetary Funds

For monetary funds denominated in RMB, the appraised value is determined based on the verified book value. Monetary funds denominated in foreign currencies are converted into Renminbi at the mid-market exchange rate prevailing on the valuation benchmark date to determine their valuation.

2. Other Receivable Assets

These include other receivables, etc. The business content, ageing and repayment status are analysed, and the fund usage and operating conditions of the principal debtors are investigated and understood. On the basis of verification, the amount recoverable is determined using individual assessment and ageing analysis methods, with reference to the enterprise's accounting policy for bad debt provisions, to determine the expected risk loss. The bad debt provision is assessed at zero, and the appraised value is determined.

3. Long-term Equity Investments

For controlled subsidiaries, the asset-based approach and market approach are used for overall valuation. After determining the valuation conclusion of the long-term investment unit, the appraised value of the long-term investment is calculated based on the shareholding ratio of the entity under valuation.

For non-controlling other long-term investments, based on the financial statement information, the appraised value of the long-term equity investment is determined by multiplying the shareholding ratio as at the valuation benchmark date by the net assets of the investee. The details are as follows:

1) Phoenix International Airport

① Selection of Valuation Method

i. Considering that the accounting practices of the entity under valuation are relatively standardised, the asset and liability information, ownership information and construction/acquisition information are available, various assets and liabilities can be identified, and the assets involved in the valuation object can be used normally and can be obtained through replacement channels, therefore, appropriate methods can be separately adopted to value them item by item, and on-site inspection procedures can also be performed. Accordingly, the asset-based approach has been selected for this valuation.

ii. Phoenix International Airport is in the air transport industry. The air transport industry is a capital-intensive industry with high entry barriers and obvious cyclical characteristics. Its growth has a high positive correlation with GDP growth, and it is susceptible to external factors such as economic fluctuations, safety and emergencies, and oil price changes, thereby affecting the operations of the airport industry. It is also susceptible to diversion by high-speed rail and other modes of transportation. Although the operating assets of the air transport industry have strong cash-generating ability, its core assets are mainly land use rights, buildings, machinery and equipment. The liquidity of operating assets is relatively weak, the investment recovery period is long, and the debt burden is relatively heavy. At present, Phase III of Sanya Phoenix International Airport has just been put into operation, and its economic effects are not yet clear. The degree and speed of the release of aircraft movements, passenger throughput and cargo and mail throughput of Phase I and Phase II in the future remain uncertain.

On 3 September 2024, the Hainan Provincial Development and Reform Commission and four other departments formulated the "Three-Year Action Plan for the Development of Hainan's Low-Altitude Economy (2024-2026)". According to the action plan, the main expected goal for the development of Hainan's low-altitude economy is to complete the construction of 9 general aviation airports by 2026. Meanwhile, according to the "Master Plan of Haikou Meilan International Airport (2024 Edition)", Haikou Meilan International Airport plans to build a third runway on the basis of its existing two runways, forming a long-term airport layout with three widely spaced runways; together with the completion and commissioning of the Phase III expansion project of Qionghai Boao Airport, after multiple airports are completed and put into operation in the future, passenger throughput will be further increased, which will also divert passenger and cargo/mail volumes from Phoenix International Airport.

Meanwhile, preparations for the new Sanya Airport have also begun. As a key project in Hainan's "15th Five-Year Plan", the new Sanya Airport is located in Yucai Ecological Zone, and is planned to build two widely spaced runways and a terminal building of approximately 450,000 square metres, with a designed annual passenger throughput of 40 million person-times, aiming to build the largest aviation hub in Hainan. The project has previously completed preliminary work such as site selection publicity and pre-feasibility study bidding. The completion of the new airport will have a significant impact on Phoenix International Airport , and the degree of impact is difficult to reasonably predict. Therefore, the income approach is not selected for this valuation.

iii. Phoenix International Airport belongs to the transportation – aviation airport industry. Asset valuation professionals can obtain relevant data on the enterprise's operations and finances for various analyses and comparisons, including enterprise scale, operating status, asset status and financial status, as well as data related to the value ratios adopted. The information channels are lawful and information reliability is relatively high. In addition, there are listed companies in the same industry as the entity under valuation with similar product types, business structures and operating models, and an appropriate number of comparable companies can be selected. Therefore, the market approach is applicable to this project for valuation.

In summary, according to the purpose of this valuation, the asset-based approach and the market approach are selected for the valuation of Phoenix International Airport.

Since the market approach evaluates the value of the valuation object based on reference objects in the capital market, and since the capital market is subject to significant fluctuations and there are many factors affecting capital market prices, and each company's business structure, operating model, enterprise scale and asset allocation are not identical, it is objectively difficult to accurately quantify the above differences. At the same time, the entity under valuation is a domestic company, and the number of listed companies in the same industry as the entity under valuation in Hong Kong is limited. The environment, degree of marketisation, systems and policies of the Hong Kong capital market differ to a certain extent from the environment in which domestic companies operate, and it is difficult to take all these factors fully into account. Under such circumstances, the asset-based approach can reasonably reflect the value of the entire shareholders' equity of the entity under valuation and has better relevance and accuracy compared with the market approach. Therefore, the valuation conclusion of the asset-based approach is ultimately adopted in this valuation.

② Technical Approach of the Asset-based Approach

I Monetary Funds

For monetary funds denominated in RMB, the appraised value is determined based on the verified book value. Monetary funds denominated in foreign currencies are converted into Renminbi at the mid-market exchange rate prevailing on the valuation benchmark date to determine their valuation.

II Other Receivable Assets

These mainly include accounts receivable, prepayments, other receivables, etc. Their business content, ageing and repayment status are analysed. On the basis of verification, individual assessment and ageing analysis methods are adopted to determine the amount likely to be recovered. With reference to the enterprise's accounting policy for bad debt provisions, the expected risk loss is determined, while the bad debt provision is assessed at zero, and the appraised value is determined.

III Other Current Assets

Other current assets mainly comprise the input VAT to be offset by the entity under valuation, and the appraised value is determined based on the verified book value.

IV Long-term Equity Investments

The valuation methods selected for long-term equity investments are set out in the table below:

Monetary Unit: RMB10,000

No.	Investee Company Name	Shareholding Ratio (%)	Book Value	Appraised Value	Appreciation/ Depreciation	Valuation Method
1	Sanya Airport Investment Development Co., Ltd. (三亞臨空投資開發有限公司)	100	**5,676.95**	**5,154.65**	-522.30	Asset-based Approach
2	Sanya Phoenix International Airport Cargo Co., Ltd. (三亞鳳凰國際機場貨運有限公司)	51	**153.06**	**-1,588.98**	-1,742.03	Asset-based Approach
3	Sanya Phoenix International Airport Terminal Services Co., Ltd. (三亞鳳凰國際機場候機樓服務有限公司)	100	**200.00**	**-2,843.34**	-3,043.34	Asset-based Approach
4	Sanya Phoenix Airport Bonded Logistics Co., Ltd. (三亞鳳凰機場保稅物流有限公司)	100	**4,910.00**	**9,103.44**	4,193.44	Asset-based Approach
5	Xinhua Lianhang Airport Industry Investment Development Co., Ltd. (新華聯航臨空產業投資開發有限公司)	31.2194	**76,566.29**	**61,082.13**	-15,484.15	Statement Conversion

No.	Investee Company Name	Shareholding Ratio (%)	Book Value	Appraised Value	Appreciation/ Depreciation	Valuation Method
6	Hainan Pacific Petroleum Industry Co., Ltd. (海南太平洋石油實業股份有限公司)	35.2958	**23,617.14**	**23,621.02**	3.88	Statement Conversion
7	Sanya Lufthansa Aviation Food Co., Ltd. (三亞漢莎航空食品有限公司)	6	**775.73**	**551.24**	-224.49	Statement Conversion
Total			**111,899.16**	**95,080.17**	-16,818.99	
Less: Impairment Provision for Long-term Equity Investments			**17,950.56**	**–**	-17,950.56	
Total			**93,948.61**	**95,080.17**	1,131.56	

Note: The valuation methods, valuation assumptions and technical approach of the valuation methods for each subsidiary are consistent with those for Phoenix International Airport .

V Investments in Other Equity Instruments

For the valuation of investments in other equity instruments, mainly on the basis of verifying the authenticity of the book records, and based on the verified and confirmed number of shares and trust units, the appraised value of stock investments is calculated based on the closing price of the securities as at the valuation benchmark date, and the appraised value of trust investments is determined based on the verified book value.

VI Investment Properties, Fixed Assets – Buildings and Structures

Based on the purpose of this valuation, and in light of the characteristics of each building-type asset to be valued and the information collected, the replacement cost method and the income approach are adopted for valuation:

Replacement Cost Method: Based on construction engineering information and completion settlement information, according to the building's work quantities and local building material market prices as at the valuation benchmark date, the replacement cost is calculated using current quota standards, construction fees and loan interest rates, and the newness rate is comprehensively determined based on the economic useful life of the building and on-site inspection, thereby calculating the appraised net value of the building.

Income Approach: Based on the expected normal future income of the valuation object, an appropriate capitalisation rate is selected to discount it to the valuation benchmark date and then accumulated, so as to estimate the value of the valuation object.

VII Machinery and Equipment

Based on the purpose of this valuation, and in light of the characteristics of each equipment-type asset to be valued and the information collected, the replacement cost method and the market approach are adopted for valuation:

Replacement Cost Method: The total cost required to re-purchase or re-construct a brand-new state of the appraised asset under current conditions, less the physical depreciation, functional obsolescence and economic obsolescence that have occurred to the appraised asset, is used to determine the value of the appraised asset.

Market Approach: The appraised value is determined after comparison and adjustment using similar market transaction prices.

VIII Construction in Progress

In this valuation, construction in progress is valued using the replacement cost method, that is, the replacement cost is determined according to all costs that would be incurred under normal circumstances to re-form the completed work volume of the construction in progress as at the valuation benchmark date.

IX Intangible Assets – Land Use Rights

In accordance with the purpose, location, type of use right, utilisation conditions of the land parcel to be valued and the local land market conditions, this valuation ultimately adopts the benchmark land price correction coefficient method for valuation. With reference to the latest published benchmark land price standards of Sanya City, and according to the benchmark land price correction system, date correction, term correction, regional factor correction and individual factor correction are carried out, and correction is made for differences between the infrastructure conditions of the benchmark land price and the infrastructure conditions of the land parcel to be valued, thereby obtaining the appraised land price of the land parcel to be valued.

X Intangible Assets – Software, etc.

For purchased office software, the main functions and features of the software were first understood, the purchase contracts, invoices, payment vouchers and other materials for the purchased software were verified, and its current market price was queried online, and the appraised value is determined using the replacement cost.

XI Right-of-use Assets

Right-of-use assets are the rights to use leased properties under unexpired lease contracts of the enterprise. On the basis of inspecting the lease contracts, original vouchers and amortisation policies, the appraised value of the right-of-use assets is reviewed and confirmed.

XII Liabilities

These mainly include short-term borrowings, notes payable, accounts payable, advances from customers, employee benefits payable, taxes payable, other payables, interest payable, non-current liabilities due within one year, long-term borrowings, lease liabilities, deferred income, deferred tax liabilities, etc. The enterprise's liabilities are reviewed and verified. On the basis of verification, the amount of liabilities that the enterprise actually needs to bear as at the valuation benchmark date is used as the appraised value of the liabilities.

③ Valuation Assumptions

Consistent with the valuation assumptions for Hainan Airport Holdings Operation Management Co., Ltd.

④ Valuation Results

Summary of Asset Valuation Results

Monetary Unit: RMB10,000

Items	Book Value A	Appraised Value B	Appreciation/ Depreciation C=B-A	Appreciation Rate % D=C/A×100%
Current Assets	615,734.53	615,734.53	0.00	0.00
Non-current Assets	620,834.35	752,345.01	131,510.66	21.18
Of which: Long-term Equity Investments	93,948.61	95,080.17	1,131.56	1.20
Investments in Other Equity Instruments	7,490.55	7,490.55	0.00	0.00
Investment Properties	71,338.45	71,338.45	0.00	0.00
Fixed Assets	362,147.59	396,613.63	34,466.04	9.52
Construction in Progress	1,322.65	529.44	-793.21	-59.97
Right-of-use Assets	1,239.03	1,239.03	0.00	0.00
Intangible Assets	82,483.76	179,190.03	96,706.27	117.24
Deferred Tax Assets	161.66	161.66	0.00	0.00
Other Non-current Assets	702.05	702.05	0.00	0.00
Total Assets	**1,236,568.88**	**1,368,079.53**	**131,510.65**	**10.64**
Current Liabilities	199,370.56	199,370.56	0.00	0.00
Non-current Liabilities	441,308.43	441,308.43	0.00	0.00
Total Liabilities	**640,679.00**	**640,679.00**	**0.00**	**0.00**
Net Assets (Owners' Equity)	**595,889.88**	**727,400.54**	**131,510.66**	**22.07**

An analysis of the main reasons for the changes in valuation appreciation/depreciation is set out below:

1. Fixed Assets

Fixed assets were appraised with an appreciation of 344.6604 million, representing an appreciation rate of 9.52%. The main reason is that the construction cost of building-type fixed assets as at the valuation benchmark date has increased compared with the time of construction, and there is a difference between the depreciation period accrued by the enterprise for building-type fixed assets and the economic useful life of the buildings adopted in the valuation, resulting in the valuation appreciation.

2. Intangible Assets

Intangible assets were appraised with an appreciation of 967.0627 million, representing an appreciation rate of 117.24%, mainly due to the valuation appreciation arising from land use rights. The main reason is that the land use rights to be valued were acquired relatively early, and the land price of industrial land in Sanya City has increased, resulting in the valuation appreciation.

2) Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport

As they are non-controlling equity investments, this valuation does not meet the conditions for conducting a separate valuation. Therefore, in this valuation, based on their accounting statement information, the appraised value of the long-term equity investments is determined by multiplying the shareholding ratio as at the valuation benchmark date by the net assets of the investee. The specific valuation results are as follows:

Monetary Unit: RMB10,000

No.	Investee Company Name	Shareholding Ratio (%)	Book Value	Appraised Value	Appreciation/ Depreciation	Valuation Method
1	Yichang Sanxia International Airport Co., Ltd.	49	57,114.43	57,114.43	0.00	Statement Conversion
2	Dongying Shengli Airport	20	0.00	3,077.65	3,077.65	Statement Conversion
Total			**57,114.43**	**60,192.08**		

Reasons for changes in valuation appreciation/depreciation: The investment in Dongying Shengli Airport is accounted for on a historical cost basis. After the initial investment, Dongying Shengli Airport continued to incur losses, and the cumulative share of losses borne by Hainan Airport Holdings Operation Management Co., Ltd. has exceeded the original capital contribution. Therefore, the book value of the long-term equity investment has been reduced to zero, whereas the appraised value reflects the amount of the net assets of Dongying Shengli Airport as at the valuation benchmark date multiplied by the shareholding ratio of Hainan Airport Holdings Operation Management Co., Ltd., thereby giving rise to the valuation difference.

4. Liabilities

These include other payables. The enterprise's liabilities are reviewed and verified, and on the basis of verification, the amount of liabilities that the enterprise is actually required to bear as at the valuation benchmark date is used as the appraised value of the liabilities.

IX. IMPLEMENTATION PROCESS AND PROCEDURES OF VALUATION

In accordance with laws, regulations and the relevant provisions of China Asset Valuation Standards, this valuation has performed appropriate valuation procedures. The specific implementation process is as follows:

(I) Clarifying the Basic Matters of the Valuation Engagement

Discussions were held with the principal to clarify important matters including the entity under valuation and other users of the valuation report other than the principal, valuation purpose, valuation object and valuation scope, type of value, valuation benchmark date, scope of use of the valuation report, submission deadline and method of the valuation report, valuation service fee and payment method, and the cooperation and assistance between the principal and other relevant parties and the asset valuation institution and asset valuation professionals.

(II) Signing the Asset Valuation Commission Contract

Based on the specific circumstances of the valuation engagement, after comprehensive analysis and evaluation of the professional competence, independence and business risks of the asset valuation institution and asset valuation professionals, the asset valuation commission contract was signed with the principal.

(III) Preparing the Valuation Plan

In accordance with the requirements of the asset valuation work, a valuation work plan was prepared, including determining the specific steps, timetable and personnel arrangements for the valuation, and drafting the asset valuation technical plan, which was submitted for review and approval by the relevant person in charge of the company.

(IV) On-site Investigation

1. Instructing the principal, entity under valuation and other relevant parties to inspect assets and prepare detailed information relating to the valuation object and valuation scope;

2. Based on the specific circumstances of the valuation object, selecting appropriate methods to understand the current status of the valuation object and paying attention to the legal ownership of the valuation object; conducting item-by-item investigations of non-conforming matters, and using sampling methods based on materiality.

(V) Collecting Valuation Data

Collecting data independently obtained from direct market channels, data obtained from the principal, entity under valuation and other relevant parties, and data obtained from government departments, various professional institutions and other relevant departments; verifying and validating the data used in the asset valuation activities. The methods of verification typically include observation, interviews, documentary review, field investigation, inquiries, confirmation letters, review, etc.

(VI) Assessment and Estimation

1. Based on relevant conditions such as the valuation object, type of value and data collection, analysing the applicability of valuation methods including the market approach, income approach and asset-based approach, and properly selecting the valuation method;

2. Based on the adopted valuation method, selecting the corresponding formulas and parameters for analysis, calculation and judgment to form measurement results;

3. Conducting comprehensive analysis of the measurement results to form the valuation conclusion.

(VII) Preparing and Issuing the Valuation Report

1. Preparing the valuation report in accordance with the requirements of laws, regulations and China Asset Valuation Standards, and after internal review by the company, forming a draft asset valuation report for consultation;

2. After necessary communication with the principal or relevant parties authorised by the principal on the relevant contents of the valuation report, without affecting the independent judgment of the final valuation conclusion, issuing the asset valuation report to the principal;

3. After expert review commissioned by Hainan Ruigang Logistics Co., Ltd., issuing the final asset valuation report.

X. VALUATION ASSUMPTIONS

In the valuation process, the valuation assumptions we rely on and use are the basic premises for the preparation of the valuation report. Users of the valuation report are also reminded to pay attention to the contents of the valuation assumptions in order to correctly understand and use the valuation conclusion. We follow the following valuation assumptions. If significant changes occur in the valuation assumptions after the date of the valuation report, they will have a material impact on the valuation conclusion, and the valuation results should be adjusted accordingly.

(I) Basic Assumptions

1. Transaction Assumption

The transaction assumption assumes that all assets subject to valuation are already in the process of being transacted, and the valuers estimate the value in a simulated market based on the transaction terms of the assets under valuation. The transaction assumption is the most basic premise assumption for asset valuation.

2. Open Market Assumption

The open market assumption assumes that in respect of assets transacted or proposed to be transacted on the market, both parties to the transaction are on an equal footing and each has the opportunity and time to obtain sufficient market information so as to make rational judgments regarding the function, use and transaction price of the assets. The open market assumption is premised on the basis that the assets can be openly bought and sold on the market.

3. Continuing Use of Assets Assumption

The continuing use of assets assumption means that at the time of valuation, it is assumed that the assets under valuation will continue to be used in accordance with their current purpose, manner of use, scale, frequency and environment, or will be used on a modified basis, and the valuation methods, parameters and bases are determined accordingly.

4. Going Concern Assumption

The going concern assumption means that the entity under valuation will continue to operate as a going concern and will maintain its current mode of operations.

(II) General Assumptions

1. There will be no material changes in the socio-economic environment in which the entity under valuation is located, and no material changes in the relevant laws, regulations and policies of the PRC or the region in which the entity is located;

2. It is assumed that the information provided by the principal and the entity under valuation is true, complete and reliable, and that there are no defective, contingent or other matters that may affect the valuation conclusions which should have been provided but were not, or which could not be ascertained by the asset valuation professionals despite having performed the necessary valuation procedures;

3. It is assumed that no force majeure or unforeseeable events that would affect the operations of the entity under valuation will occur after the valuation benchmark date;

4. It is assumed that no other force majeure or unforeseeable factors will have a material adverse impact on the enterprise.

(III) Specific Assumptions in this Valuation

1. The entity under valuation will be able to make timely adjustments and innovations in response to market developments and advances in science and technology, while maintaining consistency in its business scope, mode of operations and management model;

2. There are no title disputes or other economic disputes in respect of the assets and liabilities declared by the entity under valuation;

3. The production and business operations of the entity under valuation and the economic activities related thereto are in compliance with PRC laws and regulations;

4. There will be no material changes in future lending rates, value-added tax rates, surcharge rates, or enterprise income tax rates.

In accordance with the requirements of asset valuation, we consider these assumptions to be valid as at the valuation benchmark date. If significant changes occur in the valuation assumptions after the date of the valuation report, we shall not be liable for different valuation conclusions derived from changes in the valuation assumptions.

XI. VALUATION CONCLUSION

In accordance with China Asset Valuation Standards, adhering to the principles of independence, objectivity and impartiality, and following recognised asset valuation methods, all assets and liabilities within the valuation scope have been appraised. During the valuation process, the asset valuation professionals of our company conducted asset verification of the entity under valuation, verified and reviewed the legal documents, accounting records and other relevant information provided by the enterprise, and also performed necessary special investigations and confirmations during the process. On this basis, the asset-based approach was used to appraise the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. The type of value adopted in this valuation is market value.

The book value of the total assets included in the valuation scope was 5,299.1512 million, the book value of total liabilities was 3,150.798 million, and the book value of owners' equity was 2,148.3532 million.

The appraised value of total assets is 4,968.5348 million, the appraised value of total liabilities is 3,150.798 million, and the appraised value of the entire shareholders' equity is 1,817.7368 million, representing a valuation depreciation of 330.6164 million and a depreciation rate of 15.39%. See the table below for details:

Summary of Asset Valuation Results

Monetary Unit: RMB10,000

Item	Book Value A	Appraised Value B	Appreciation/ Depreciation C=B-A	Appreciation/ Depreciation Rate % D=C/A×100%
Current Assets	9,189.91	9,189.91	0.00	0.00
Non-current Assets	520,725.21	487,663.57	-33,061.64	-6.35
Including: Long-term Equity Investments	520,715.59	487,653.95	-33,061.64	-6.35
Other Non-current Assets	9.62	9.62	0.00	0.00
Total Assets	**529,915.12**	**496,853.48**	**-33,061.64**	**-6.24**
Current Liabilities	315,079.80	315,079.80	0.00	0.00
Non-current Liabilities	0.00	0.00	0.00	0.00
Total Liabilities	**315,079.80**	**315,079.80**	**0.00**	**0.00**
Owners' Equity	**214,835.32**	**181,773.68**	**-33,061.64**	**-15.39**

Analysis of Reasons for Valuation Appreciation/Depreciation: Long-term equity investments – the enterprise's book long-term equity investments are recorded on a historical cost basis, reflecting the initial investment cost and subsequent accounting measurement costs, whereas the appraised value reflects fair value, thereby giving rise to the valuation difference.

The book value of the owners' equity of Hainan Airport Holdings Operation Management Co., Ltd. was 2,148.3532 million, and the appraised value is 1,817.7368 million (in words: One billion eight hundred seventeen million seven hundred thirty-six thousand eight hundred yuan), representing a valuation depreciation of 330.6164 million and a depreciation rate of 15.39%.

The appraised value of the 6.00% equity interest in Hainan Airport Holdings Operation Management Co., Ltd. involved in the proposed equity transfer by Hainan Ruigang Logistics Co., Ltd. is 1,817.7368 million × 6.00% = 109.0642 million (in words: One hundred nine million sixty-four thousand two hundred yuan).

This valuation did not consider the impact of minority interest discount on the valuation conclusion, nor did it consider the impact of liquidity on the valuation conclusion.

XII. SPECIAL MATTERS

The following are matters identified during the valuation process which may affect the valuation conclusion but are not within the professional competence and ability of the asset valuation professionals to appraise and estimate:

(I) Circumstances of Citing Conclusions of Reports Issued by Other Institutions and Assumption of Responsibility for Improper Citation

In this valuation, the audited financial data from the unqualified audit report numbered "Tian Zhi Ye Zi (2026) No. 30143" issued by Baker Tilly China (Special General Partnership) has been cited as the book value of the valuation object, and we assume responsibility for any improper citation of such data.

In this valuation, the data from the asset valuation reports numbered "Zhong Wei Zheng Xin Ping Bao Zi (2026) No. 5046" and "Zhong Wei Zheng Xin Ping Bao Zi (2026) No. 5047" issued by Zhong Wei Zheng Xin (Beijing) Assets Appraisal Co., Ltd.(中威正信(北京)資產評估有限公司) were cited as the appraised value of the investment properties, and we assume responsibility for any improper citation of such data.

Other than the above, no content from other institutional reports has been cited.

(II) Incomplete or Defective Ownership Data

1. Inconsistency between Land Title Certificate Registration Information and Book Card Registration Information of Phoenix International Airport

There are inconsistencies between the area information registered in the land title certificates and the information recorded in the intangible asset cards for certain parcels of land held by the company, as detailed below:

No.	Land Title Certificate No.	Area per Certificate (m^2)	Area per Card Record (m^2)	Difference (m^2)
1	San Tu Fang (2012) No. 006145	45,826.38	45,332.95	493.43
2	San Tu Fang (2005) No. 1100	852,046.57	680,499.56	171,547.01
3	Qiong (2023) Sanya Real Estate Right No. 0004645 (formerly: San Tu Fang (2009) No. 02490)	2,605,367.58	2,548,033.35	57,334.23
4	Qiong (2025) Sanya Real Estate Right No. 0018571, Qiong (2025) Sanya Real Estate Right No. 0018569	15,181.55	17,595.43	-2,413.88
5	San Tu Fang (2003) No. 2338	16,225.77	13,345.44	2,880.33
	Total	**3,534,647.85**	**3,304,806.73**	**229,841.12**

Upon verification, for items 1, 2, 3 and 5 in the above table, there are inconsistencies between the area registered in the title certificates and the area recorded in the intangible asset cards. The reason for the difference is that after the ownership division registration was completed for the said land parcels and new real estate title certificates were issued, the registered areas on the original title certificates were not simultaneously reduced or cancelled, resulting in the registered area on the certificates being greater than the area recorded on the asset cards. For item 4, the land ownership was divided from the original certificate No. "San Tu Fang (2004) No. 2884" into two real estate title certificates, and after division and confirmation, the land area on the certificates decreased by 2,413.88 m^2 compared with the original certificate area. The local government has confirmed that compensation for the corresponding area will be provided in the future. The land areas in this asset valuation are all based on the information recorded in the company's book intangible asset cards as the basis for valuation calculation, and users of the report are reminded to pay attention to this.

2. Inconsistency between Expiry Date on Land and Building Title Certificate and Property Ownership Registration Information Inquiry Result of Phoenix International Airport

For the land and building title certificate No. "San Tu Fang (2004) No. 2362" in Sanya City, Hainan Province held by the company, the termination date registered on the certificate is 21 January 2041, while the Sanya City Real Estate Ownership Registration Information inquiry result shows the usage period as ending on 30 November 2064. This valuation is based on the Sanya City Real Estate Ownership Registration Information.

3. The following buildings of Phoenix International Airport have not obtained real estate title certificates:

No.	Building Name	Floor Area (m^2)	Completion Date	Reason for Not Obtaining Title Certificate
1	West Cargo Terminal and Supporting Works	7,476.11	29 January 2016	Title certificate application in progress
2	Cargo Phase II and Bonded Logistics Centre No. 1 Logistics Warehouse	10,041.77	30 October 2021	Title certificate application in progress
3	Cargo Phase II and Bonded Logistics Centre No. 2 Logistics Warehouse	14,321.36	30 October 2021	Title certificate application in progress
4	Cargo Phase II and Bonded Logistics Centre International Cargo Terminal	7,260.19	30 October 2021	Title certificate application in progress
5	Haikou Passenger and Cargo Agency Dormitory	108.00	1 August 1994	Not transferred due to historical issues
6	International Terminal New Boarding Bridge and Supporting Works	18,360.10	28 December 2016	Missing construction filing documents
7	East Expansion Relocation Supporting Buildings (Guangtouling Office Building)	7,638.00	28 December 2016	Temporary building
Total		**65,205.53**		

These properties were constructed or purchased by Phoenix International Airport, and Phoenix International Airport should enjoy the real property rights over such properties from the time the facts of construction or purchase were accomplished. Phoenix International Airport has declared that the above buildings without real estate title certificates were all constructed or purchased by it. Therefore, Phoenix International Airport enjoys the real property rights over such properties. Accordingly, this valuation did not consider the impact of the above matters regarding unregistered real estate title certificates on the valuation conclusion.

(III) Pending Legal and Economic Disputes

In this valuation, no pending legal or economic disputes that may affect the valuation conclusion were identified.

(IV) Nature, Amount and Relationship with the Valuation Object of Guarantees, Leases and Contingent Liabilities (or Contingent Assets)

1. Mortgage and Pledge Guarantee Matters

As of the valuation benchmark date, Phoenix International Airport had mortgage loans of 3,227.9551 million (including long-term loans due within one year) and pledged mortgage loans of 1,093.1638 million (including long-term loans due within one year). The details of the specific mortgaged/pledged assets are as follows:

(1) Phoenix International Airport mortgaged a total of 2 items of fixed assets and intangible assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010686, to Shanghai Pudong Development Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

(2) Phoenix International Airport mortgaged a total of 4 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 1665, San Tu Fang (2005) No. 1100, and Qiong (2023) Sanya Real Estate Right No. 0004645, to Ping An Bank Co., Ltd. Haikou Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

(3) Phoenix International Airport mortgaged a total of 2 items of fixed assets and intangible assets, with certificate No. Qiong (2024) Sanya Real Estate Right No. 0010682, to Agricultural Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

(4) Phoenix International Airport mortgaged a total of 7 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 1667, San Tu Fang (2012) No. 006145, etc., to CIB Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

(5) Phoenix International Airport mortgaged a total of 6 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 2357, San Tu Fang (2005) No. 1952, and San Tu Fang (2005) No. 1947, to Haikou Rural Commercial Bank Co., Ltd., Haikou Rural Credit Cooperative, Hainan Wenchang Rural Commercial Bank Co., Ltd., Qionghai Rural Credit Cooperative, Hainan Chengmai Rural Commercial Bank Co., Ltd., Danzhou Rural Credit Cooperative, Lingshui Li Autonomous County Rural Credit Cooperative, Baoting Li and Miao Autonomous County Rural Credit Cooperative, Ledong Li Autonomous County Rural Credit Cooperative, and Changjiang Li Autonomous County Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

(6) Phoenix International Airport mortgaged a total of 23 items of fixed assets and intangible assets, with certificate Nos. San Tu Fang (2004) No. 1661, San Tu Fang (2004) No. 1662, etc., to China Development Bank Hainan Branch, with a mortgage term from 1 November 2021 to 21 December 2031.

(7) Phoenix International Airport mortgaged a total of 49 items of fixed assets and intangible assets, with certificate Nos. Qiong (2024) Sanya Real Estate Right No. 0010689, San Tu Fang (2004) No. 2362, etc., to Sanya Rural Commercial Bank Co., Ltd., Baoting Li and Miao Autonomous County Rural Credit Cooperative, Wanning Rural Credit Cooperative, Qionghai Rural Credit Cooperative, Dongfang Rural Credit Cooperative, and Wuzhishan Rural Credit Cooperative, with a mortgage term from 1 November 2021 to 21 December 2031.

(8) Phoenix International Airport mortgaged a total of 3 items of investment properties, fixed assets and intangible assets, with certificate No. Qiong (2016) Sanya Real Estate Right No. 0015718, to Bank of Communications Co., Ltd. Hainan Branch, and pledged 1 item of monetary funds and 1 item of accounts receivable to Bank of Communications Co., Ltd. Hainan Branch, with a mortgage/pledge term from 1 November 2021 to 21 December 2031.

(9) Phoenix International Airport mortgaged 13 items of equipment-type fixed assets, including airport shuttle buses, to Guangzhou High-tech Zone Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

(10) Phoenix International Airport mortgaged 13 items of equipment-type fixed assets, including aircraft tractors, to Cornerstone International Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

(11) Phoenix International Airport mortgaged 78 items of equipment-type fixed assets, including baggage handling systems, to China Foreign Trade Financial Leasing Co., Ltd., with a mortgage term from 1 November 2021 to 21 December 2031.

(12) Phoenix International Airport mortgaged a total of 3 items of intangible assets, with certificate Nos. San Tu Fang (2013) No. 05259, San Tu Fang (2005) No. 1101, and San Tu Fang (2005) No. 1946, to Bank of China Co., Ltd. Sanya Branch, with a mortgage term from 1 November 2021 to 31 October 2031.

Note: Among the 23 mortgaged assets mortgaged to China Development Bank Hainan Branch under item (6) above, there is a land use right numbered San Tu Fang (2003) No. 2338, in respect of which there is an inconsistency between the mortgage registration documents and the list of mortgaged assets under the debt agreement. According to the real estate registration archives retrieved on-site from the Sanya Real Estate Registration Centre on 29 January 2026, this land use right has been registered as mortgaged, with the mortgage registration certificate number being Qiong (2024) Sanya Real Estate Certificate No. 0010380. However, according to the list of mortgaged assets in the annex to the "Debt Retention Agreement" signed in December 2021 between Phoenix International Airport (mortgagor) and China Development Bank Hainan Branch (mortgagee), this land asset was not included in the list. This valuation has fully disclosed the special ownership defect of inconsistency between the registered mortgage and the agreement list, and the valuation amount did not consider the impact of disposal realisation risk arising from the restriction of land mortgage on the valuation conclusion.

2. Lease Matters

(1) Operating Lease-in Assets

In July 2025, Phoenix International Airport (lessee) and Sanya Jinsida Industrial Development Co., Ltd. (lessor) entered into the "Sanya Phoenix International Airport Employee Dormitory Lease Contract", leasing property located at 65 Litchigou Road, Jiyang District, Sanya City, Hainan Province – Floors 2-11 of Jinsida Phase I Residential Building (excluding the ground floor, roof structure floor and basement), comprising 134 rooms with a total area of 3,884.71 m^2. The leased property is used for employee dormitories, offices, meeting rooms, activity rooms, etc. The lease term is 5 years, with a fixed term of 3 years from 1 August 2025 to 31 July 2028, and a renewal term of 2 years from the day following the expiry of the fixed term to 31 July 2030. The annual rent including tax is 3.1549 million.

In this valuation, the above leased assets have been included in right-of-use assets, lease liabilities and non-current liabilities due within one year, and the appraised value is determined based on the verified book value.

(2) Operating Lease-out Assets

As at the valuation benchmark date, Phoenix International Airport had leased certain buildings, land, equipment and other assets within Sanya Phoenix International Airport to Hainan Youli Tourism and Culture Group Co., Ltd., Hainan Free Trade Zone Dehang Group Co., Ltd. and other entities, and collected rent. In this valuation, the impact of the above lease matters on the valuation conclusion has not been considered, and users of the report are reminded to pay attention to this.

(V) Events Occurring between the Valuation Benchmark Date and the Date of the Asset Valuation Report that May Affect the Valuation Conclusion

On 24 April 2026, the State-owned Assets Supervision and Administration Commission of Yichang Municipal People's Government issued the "Request for Instructions from the Municipal State-owned Assets Supervision and Administration Commission Regarding the Proportional Capital Increase of Sanxia Airport" to the Yichang Municipal People's Government, requesting Hainan Airport Holdings Operation Management Co., Ltd. to make a cash capital increase limited to the amount of inter-company balances with Yichang Sanxia International Airport Co., Ltd. Yichang Finance and Economy Development Investment Co., Ltd. would make a proportional cash capital increase through inter-company balances at the same ratio. After approval, on 11 June 2026, the parties entered into a capital increase agreement, pursuant to which both shareholders agreed to make a capital increase in Yichang Sanxia International Airport Co., Ltd. Following the capital increase, the registered capital will be 368,843,512.15 and the capital reserve will be 1,425,719,778.77.

This valuation did not consider the impact of this capital increase matter on the valuation conclusion.

Other than the above matters, there are no other events occurring between the valuation benchmark date and the date of the asset valuation report that may affect the valuation conclusion.

(VI) Defective Circumstances in the Economic Activities Corresponding to this Asset Valuation that May Have a Material Impact on the Valuation Conclusion

In the economic activities corresponding to this asset valuation, there are no defective circumstances that may have a material impact on the valuation conclusion.

(VII) Circumstances of Restricted Valuation Procedures, Remedial Measures Taken by the Asset Valuation Institution, and Impact on the Valuation Conclusion

1. In this valuation, when appraising artworks including Buddhist statues, ivory products, high-end wood products and other artworks of Phoenix International Airport, due to the special nature of the artworks, it was not possible to inquire about the value of identical or similar products. Therefore, the replacement cost was ultimately calculated with reference to the Producer Price Index (PPI) – price indices by industry. Users of the report are reminded to pay attention to this.

2. Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport are non-controlling equity investments held by the entity under valuation. This valuation adopts the method of converting the financial statements of the investee enterprises. Based on their accounting statement information, the appraised value of the long-term equity investments is determined by multiplying the shareholding ratio as at the valuation benchmark date by the net assets of the investee.

   According to Article 38 of the Practice Standard for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38) (《資產評估執業準則—企業價值》(中評協[2018]38號)), where the asset-based approach is adopted in an enterprise valuation, the long-term equity investments shall be analysed to determine whether they are to be valued separately based on factors such as the appraised entity's actual control over the long-term equity investments and their degree of influence on the value of the valuation object.

   Hainan Airport Holdings Operation Management Co., Ltd. is only a minority shareholder of, and does not control, Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport. As a minority shareholder, Hainan Airport Holdings Operation Management Co., Ltd. is not in a position to require Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport to provide complete valuation information, allow on-site inspection or support the full set of valuation procedures, such as profit forecast interviews, asset stock-taking and title verification. The conditions for conducting an overall valuation were not met as Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport did not cooperate with a full valuation. Therefore, no separate valuation of Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport was carried out. It is not uncommon in the PRC for an investee to decline to cooperate with a valuation requested by a minority shareholder.

Further, based on the Jiangsu Provincial Asset Valuation Industry Professional Technical Mentor Panel – Answers to Practice Questions (No. 23) (《江蘇省資產評估行業專業技術導師團執業問題解答(二十三)》), minority equity interests in enterprise valuations may be valued using the cost approach. The cost approach is also known as the asset-based approach, the net asset approach or the adjusted net asset approach. The asset-based approach involving the valuation of minority equity investments differs from the asset-based approach for enterprise valuation in the ordinary sense. It could be understood as a simplified version of the asset-based approach for enterprise valuation. For example, the book value of the investee's net assets may be taken directly as the value of the entire shareholders' equity. Alternatively, based on the balance sheet, the value of the entire shareholders' equity may be determined after appropriate adjustments based on such status of the enterprise's major assets as can be obtained or ascertained. According to the expert answers above, where an investee does not cooperate with a full valuation and does not provide the information required for valuation, it is reasonable to determine the appraised value of the long-term equity investment directly as the shareholding ratio multiplied by the investee's net assets at the valuation benchmark date. This valuation has conducted appropriate analysis of the financial statements of Yichang Sanxia International Airport Co., Ltd. and Dongying Shengli Airport, and the appraised values of such non-controlling long-term equity investments are determined by multiplying the shareholding ratios as at the valuation benchmark date by the net assets of the investees.

Other than the above matters, there are no other circumstances of restricted valuation procedures in this valuation.

(VIII) Other Matters Requiring Explanation

1. This valuation of land use rights includes deed tax.

2. Explanation of Inconsistency between Subscribed and Paid-in Investment Proportions of Hainan Airport Infrastructure Co., Ltd. in Phoenix International Airport

According to the "Articles of Association" of Phoenix International Airport, Hainan Airport Infrastructure Co., Ltd. subscribed for 1,445,783,133 in cash, accounting for 25.057%, with a paid-in amount of 1,142,168,675, leaving an unpaid balance of 303,614,458 as at the valuation benchmark date. The articles of association stipulate that full payment should be made by 30 June 2032.

This valuation has considered the impact of this unpaid capital contribution on the valuation conclusion, i.e., the appraised value of the equity interest held by Hainan Airport Holdings Operation Management Co., Ltd. in Phoenix International Airport = (appraised value of the entire shareholders' equity of the investee unit + unpaid capital contribution) × the subscribed investment proportion of the shareholder – the unpaid capital contribution of the shareholder. Users of the report are reminded to pay attention to this.

3. Consideration of Land Grant Fees for Allocated Land

According to Article 47, Section 3 – Allocated Land Use Rights Transfer – of the "Hainan Free Trade Port Land Management Regulations" (passed as Announcement No. 4 of the Standing Committee of the Hainan Provincial People's Congress in May 2023), "Where allocated land use rights are transferred, the transferee shall sign a supplementary land use right grant contract with the municipal/county natural resources and planning authority, complete the land use right grant procedures, and pay a supplementary land use right grant fee based on 40% of the confirmed appraised value of the land parcel".

Based on the above "Regulations", for the allocated land within the valuation scope, the value of the granted land use right was assessed using the applicable valuation method, and then the allocated land price was determined after deducting the land grant fee equal to 40% of the assessed value in accordance with the "Hainan Free Trade Port Land Management Regulations". Users of the report are reminded to pay attention to this.

4. Restrictions on Use of Monetary Funds

As at the valuation benchmark date, the restricted monetary funds of Phoenix International Airport amounted to 69,478,173.31, primarily restricted due to loan guarantees, pledges for bank acceptance bill transactions, and other reasons.

This valuation did not consider the impact of the above restrictions on the use of monetary funds on the valuation conclusion, and users of the report are reminded to pay attention to this.

5. Status of Some Equipment Assets Being Idle or in Scrap Condition

As at the valuation benchmark date, some equipment assets of Phoenix International Airport were in scrap condition, including 531 items of machinery and equipment with an original book value of 2.752 million and a book value of 0.2541 million; 335 vehicles with an original book value of 28.5728 million and a book value of 1.6533 million; and 2,254 items of electronic equipment with an original book value of 20.3416 million and a book value of 4.4821 million.

In this valuation, the above scrap assets were valued based on the scrap material recycling market price.

6. Some Structures in Scrap or Demolished Condition

As at the valuation benchmark date, the stainless steel guard booth of Phoenix International Airport was in scrap condition, and the East Gate Guard Post had been demolished. In this valuation, the demolished East Gate Guard Post was assessed at 0, and the structures in scrap condition were valued based on the scrap material recycling market price.

7. Equity Matters of Dongying Shengli Airport

According to the Audit Report (No. Zhonghui Hui Shen [2023] 2097) issued by Zhonghui Certified Public Accountants LLP on 27 March 2023, on 15 January 2011, the Dongying Municipal People's Government and Former HNA Group entered into a Cooperation Agreement, pursuant to which both parties agreed to treat Dongying Shengli Airport, which was established with funding from the Dongying Municipal People's Government, as the statutory operating entity of the cooperative airport. The Dongying Municipal People's Government would inject the effective assets formed from the airport expansion and all effective assets of Dongying Yong'an Airport Co., Ltd. held by Former HNA Group into Dongying Shengli Airport, and the Dongying Municipal People's Government would transfer 20% of the equity interest in Dongying Shengli Airport to Former HNA Group. On 25 January 2011, Former HNA Group transferred the title of the effective assets to Dongying Shengli Airport, and the effective assets formed from the airport expansion by the Dongying Municipal People's Government had always been held by Dongying Airport Co., Ltd., and the title had not yet been transferred. Dongying Shengli Airport had continuously and actually operated the assets of Former HNA Group and the assets of Dongying Airport Co., Ltd from 30 April 2011. This valuation did not consider the impact of the above matters on the valuation conclusion.

As of 31 December 2025, the registered capital of Dongying Shengli Airport was 1.25 million, of which Shandong Airport Management Group Dongying Airport Co., Ltd. contributed 1 million, representing a capital contribution ratio of 80%; and Hainan Airport Holdings Operation Management Co., Ltd. contributed 250,000, representing a capital contribution ratio of 20%.

(IX) In this valuation conclusion, the asset valuation professionals were unable to conduct technical testing on the technical parameters and performance of various equipment as at the valuation benchmark date. On the premise that the relevant technical information and operating records provided by the entity under valuation are true and valid, judgment was made through understanding the equipment usage from equipment management personnel and operators, combined with on-site inspection.

(X) In this valuation conclusion, the asset valuation professionals did not conduct technical testing on the concealed works and internal structures (parts not visible to the naked eye) of various buildings and structures. On the premise that the relevant engineering information provided by the entity under valuation is true and valid, judgment was made through on-site inspection without the aid of any testing instruments.

(XI) The valuation conclusion in the report reflects the market value of the valuation object under this valuation purpose based on the principle of an open market. It does not consider the relevant costs and taxes that should be borne in the process of property registration or ownership change of such assets, nor does it make any tax adjustment provisions for asset valuation appreciation.

Users of the report are reminded to pay attention to the above matters as they may affect the valuation conclusion and the economic activities.

XIII. RESTRICTIONS ON USE OF ASSET VALUATION REPORT

(I) Scope of Use:

1. Other than the principal, other users of the asset valuation report as stipulated in the asset valuation commission contract, and users of the asset valuation report as stipulated by laws and administrative regulations, no other institution or individual may become a user of the asset valuation report;

2. This asset valuation report may only be used for the valuation purpose and use specified in the asset valuation report;

3. All or part of the contents of this asset valuation report shall not be extracted, quoted or disclosed in public media, except as stipulated by laws and regulations or as otherwise agreed between the principal and the asset valuation agency or relevant parties;

4. Validity period of the valuation conclusion: The asset valuation report may be used only when the period between the valuation benchmark date and the date of realisation of the economic activities does not exceed one year, i.e., valid for one year from 31 December 2025. Beyond one year, a new asset valuation is required.

(II) If the principal or other users of the asset valuation report use the asset valuation report in violation of the provisions of laws, administrative regulations and the scope of use specified in the asset valuation report, the asset valuation agency and its asset valuation professionals shall not be liable.

(III) Users of the asset valuation report should correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable price of the valuation object, and the valuation conclusion shall not be considered as a guarantee for the realisable price of the valuation object.

(IV) The principal of this valuation project involves a state-owned enterprise. According to relevant regulations, this asset valuation report may only be used after completing the filing procedures for the state-owned assets valuation project.

(V) This asset valuation report may only be formally used after being signed by the asset valuers and sealed by the asset valuation agency.

(VI) This asset valuation report is to be interpreted by Beijing YaChao Assets Appraisal Co., Ltd.

XIV. DATE OF ASSET VALUATION REPORT

The date on which the conclusion of this asset valuation report is formed is 12 June 2026.

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Beijing YaChao Assets Appraisal Co., Ltd.

Asset Valuer: Li Ying (李英)

Asset Valuer: Zhang Zhiruo (張芷若)

Beijing, China

12 June 2026

APPENDICES TO ASSET VALUATION REPORT

I. Economic activities documents corresponding to the valuation purpose

II. Audit report of the entity under valuation

III. Business licenses of the principal and the entity under valuation

IV. Major ownership certificate materials involved in the valuation object

V. Letters of commitment from the principal and the entity under valuation

VI. Letter of commitment from the signing asset valuers

VII. Membership certificate of the asset valuation agency

VIII. Duplicate of the business license of the asset valuation agency

IX. Qualification certificate documents of the asset valuers responsible for this valuation engagement

X. Explanation of material differences between book value and valuation conclusion

XI. Asset valuation commission contract

XII. Detailed asset valuation schedules

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
1	Article 3 Registered address: Complex Building of Meilan Airport, Haikou, Hainan, PRC. Postal code: 571126 Telephone number: (86-898) 6996 6999 Facsimile number: (86-898) 6996 8999	Article 3 Registered address: Complex Building of Meilan Airport, Haikou, Hainan, PRC. Postal code: 571126 Telephone number: (86-898) 6996 **6239** Facsimile number: (86-898) 6996 **6999**
2	Article 9 The Company is an enterprise legal person. The Company has independent legal person property and is entitled to property right of legal person. The Company shall conduct all its business in full compliance with applicable laws, rules, regulations and model documents, including but not limited to the Company Law ~~and~~ the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), etc. (hereinafter collectively referred to as the "Laws and Regulations"), and shall protect the legal rights of shareholders. All the Company's capital is divided into equal shares. Shareholders' liability towards the Company is limited to the extent of the shares they subscribe. The Company is liable to its liabilities to the extent of all the Company's assets. The legitimate rights and interests of the Company shall be protected by law and shall not be infringed upon.	Article 9 The Company is an enterprise legal person. The Company has independent legal person property and is entitled to property right of legal person. The Company shall conduct all its business in full compliance with applicable laws, rules, regulations and model documents, including but not limited to the Company Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") **and the Constitution of the Communist Party of China**, etc. (hereinafter collectively referred to as the "Laws and Regulations"), and shall protect the legal rights of shareholders. All the Company's capital is divided into equal shares. Shareholders' liability towards the Company is limited to the extent of the shares they subscribe. The Company is liable to its liabilities to the extent of all the Company's assets. The legitimate rights and interests of the Company shall be protected by law and shall not be infringed upon.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
3	–	**Article 10 In accordance with the Constitution of the Communist Party of China, the Company shall establish a Party Committee to set the direction, oversee the overall situation and ensure implementation. It shall establish Party organs, appoint sufficient Party affairs staff and ensure adequate funding for Party organization activities. It shall establish a Commission for Discipline Inspection in accordance with regulations.** **When the board of directors and executive management make decisions on major issues of the Company, they shall first seek the opinion of the Company's Party Committee. Major operational and management matters must be reviewed and discussed by the Party Committee before the board of directors and executive management make a decision.**
4	Article 11 …… The business scope of the Company includes: Licensed items: civil airport operation; public air transport; project construction; storage, transportation and filling (including extraction) of civil aviation fuel; catering services; food production; liquor operation; food sale; healthcare services (For operation projects that are subject to approval in accordance with the law, their operation shall only commence after obtaining approval from the relevant authorities. The specific operation projects shall be subject to the permit or license issued by relevant authorities.)	Article 12 …… The business scope of the Company includes: Licensed items: civil airport operation; public air transport; project construction; storage, transportation and filling (including extraction) of civil aviation fuel; catering services; food production; liquor operation; food sale; healthcare services **(licensed business activities shall be conducted under licenses)**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
	General items: housing rental; commercial complex management services; general cargo warehouse services (excluding items subject to licensing like hazardous chemicals); international air cargo transport agency; domestic cargo transport agency; packaging of goods transported by air; hardware retail; sale of electronic products; sale of communication equipment; sale of network equipment; general merchandise sale; sale of knitwear and textiles; retail of arts and crafts and collectibles (except ivory and its products); motor vehicle repair and maintenance; information consulting services (excluding information consulting services subject to licensing); conference and exhibition services (exhibitions held abroad must be approved by relevant authorities); sale of office supplies; retail of aquatic products; healthcare services (non-medical); stationery retail; wholesale of sporting goods and equipment; retail of computer hardware and ancillary equipment; sale of household appliances; sale of sound equipment; information technology consulting services; data processing and storage support services; property management; advertising production; advertising publication; advertising design and agency; business training (excluding educational training, vocational skill training and other forms of training that are subject to licensing); ticket agency; playground services; car park services; internet-based sales (except for sale of goods that are subject to licensing); car wash services; retail of automobile parts and accessories; packing services for transportation of goods; sales of gifts and flowers; retail of pet food and supplies; sales of motor vehicle charging; operation of charging infrastructure for electric vehicles; import and export of goods; business management consulting; after-school care services for primary and secondary students; experiential team-building activities and planning; science popularization services; tourism development project planning and consulting; energy storage technical services; photovoltaic power generation equipment leasing; R&D of carbon reduction, carbon conversion, carbon capture and carbon sequestration technologies; energy performance contracting; energy conservation management services; solar power generation technical services; sales of terminal metering equipment; sewage treatment and reuse; water resource management; municipal facility management; specialized equipment repair; instrument and meter repair; special equipment sales; special equipment leasing; machinery and equipment leasing; cooling services; and safety consulting services. (Except for projects that are subject to approval in accordance with the law, business activities can be carried out with business licenses.)	General items: housing rental; commercial complex management services; general cargo warehouse services (excluding items subject to licensing like hazardous chemicals); international air cargo transport agency; domestic cargo transport agency; packaging of goods transported by air; hardware retail; sale of electronic products; sale of communication equipment; sale of network equipment; general merchandise sale; sale of knitwear and textiles; retail of arts and crafts and collectibles (except ivory and its products); motor vehicle repair and maintenance; information consulting services (excluding information consulting services subject to licensing); conference and exhibition services (exhibitions held abroad must be approved by relevant authorities); sale of office supplies; retail of aquatic products; healthcare services (non-medical); stationery retail; wholesale of sporting goods and equipment; retail of computer hardware and ancillary equipment; sale of household appliances; sale of sound equipment; information technology consulting services; data processing and storage support services; property management; advertising production; advertising publication; advertising design and agency; business training (excluding educational training, vocational skill training and other forms of training that are subject to licensing); ticket agency; playground services; car park services; internet-based sales (except for sale of goods that are subject to licensing); car wash services; retail of automobile parts and accessories; packing services for transportation of goods; sales of gifts and flowers; retail of pet food and supplies; sales of motor vehicle charging; operation of charging infrastructure for electric vehicles; import and export of goods; business management consulting; after-school care services for primary and secondary students; experiential team-building activities and planning; science popularization services; tourism development project planning and consulting; energy storage technical services; photovoltaic power generation equipment leasing; R&D of carbon reduction, carbon conversion, carbon capture and carbon sequestration technologies; energy performance contracting; energy conservation management services; solar power generation technical services; sales of terminal metering equipment; sewage treatment and reuse; water resource management; municipal facility management; specialized equipment repair; instrument and meter repair; special equipment sales; special equipment leasing; machinery and equipment leasing; cooling services; safety consulting services; **loading, unloading and handling; and domestic container freight forwarding (general business activities within the business scope are conducted independently in accordance with law and disclosed to the public through the National Enterprise Credit Information Publicity System (Hainan)).**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
5	Article 24 The shares of the Company may be transferred in accordance with the law. All transfers of overseas listed foreign shares shall be conducted using a written instrument of transfer in the usual or common form or in any other form accepted by the board of directors or in such standard documents of transfer or form of transfer as may from time to time be prescribed by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange" or the "Stock Exchange") in which the shares of the Company are listed. The transfer documents may be signed by the transferor and transferee by hand or stamped with the effective Company chop (if the transferor or transferee is a corporation), when the transferor or transferee is a recognised clearing house as defined in Securities and Futures Ordinance of Hong Kong or the relevant effective regulations from time to time ("recognised clearing house") or its proxy, the transfer instrument may be signed by hand or by machine-printed signature. ……	Article 25 The shares of the Company may be transferred in accordance with the law. All transfers of overseas listed foreign shares shall be conducted using a written instrument of transfer in the usual or common form or in any other form accepted by the board of directors or in such standard documents of transfer or form of transfer as may from time to time be prescribed by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange" or the "Stock Exchange") in which the shares of the Company are listed. The transfer documents may be signed by the transferor and transferee by hand or stamped with the effective Company chop (if the transferor or transferee is a corporation), when the transferor or transferee is a recognised clearing house as defined in Securities and Futures Ordinance of Hong Kong or the relevant effective regulations from time to time **or the Listing Rules** ("recognised clearing house") or its proxy, the transfer instrument may be signed by hand or by machine-printed signature. ……
6	Article 29 Subject to applicable laws and regulations and the provisions of the Articles of Association, the Company may repurchase its shares by one of the following methods: …… However, if the Company acquires its shares under the circumstances as stipulated in sections (3), (5) and (6) of Article 28 of the Articles of Association, it shall be conducted by way of open centralised transaction. ……	Article 30 Subject to applicable laws and regulations and the provisions of the Articles of Association, the Company may repurchase its shares by one of the following methods: …… However, if the Company acquires its shares under the circumstances as stipulated in sections (3), (5) and (6) of Article **29** of the Articles of Association, it shall be conducted by way of open centralised transaction. ……

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
7	Article 30 The acquisition of the Company's shares under the circumstances as stipulated in section (1) and section (2) of Article 28 of the Articles of Association shall be passed by resolution of the shareholders' meeting. Where the Company acquires its shares under the circumstances as stipulated in sections (3), (5) and (6) of Article 28 of the Articles of Association, it shall be made as prescribed by the Articles of Association or under the authorisation by the shareholders' meeting and approved by way of a resolution at the board meeting attended by two thirds (2/3) or more of the directors of the Company.	Article 31 The acquisition of the Company's shares under the circumstances as stipulated in section (1) and section (2) of Article **29** of the Articles of Association shall be passed by resolution of the shareholders' meeting. Where the Company acquires its shares under the circumstances as stipulated in sections (3), (5) and (6) of Article **29** of the Articles of Association, it shall be made as prescribed by the Articles of Association or under the authorisation by the shareholders' meeting and approved by way of a resolution at the board meeting attended by two thirds (2/3) or more of the directors of the Company.
8	Article 31 After acquiring the shares of the Company in accordance with Article 28 of the Articles of Association, the Company shall cancel such shares within ten (10) days from the date of acquisition for circumstances under section (1) of Article 28 of the Articles of Association, or transfer or cancel such shares within six (6) months from the date of acquisition for circumstances under section (2) and section (4) of Article 28 of the Articles of Association; for circumstances under sections (3), (5) and (6) of Article 28 of the Articles of Association, the total number of shares of the Company held by the Company shall not be more than ten percent (10%) of the Company's total number of issued shares and shall be transferred or cancelled within three (3) years.	Article 32 After acquiring the shares of the Company in accordance with Article **29** of the Articles of Association, the Company shall cancel such shares within ten (10) days from the date of acquisition for circumstances under section (1) of Article **29** of the Articles of Association, or transfer or cancel such shares within six (6) months from the date of acquisition for circumstances under section (2) and section (4) of Article **29** of the Articles of Association; for circumstances under sections (3), (5) and (6) of Article **29** of the Articles of Association, the total number of shares of the Company held by the Company shall not be more than ten percent (10%) of the Company's total number of issued shares and shall be transferred or cancelled within three (3) years.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
9	Article 63 In the event of attending the meeting in person an individual shareholder shall present one's identity card or other valid certificates. In the event of appointing a proxy to attend, valid personal identity certificates and the shareholder's power of attorney shall be furnished (unless such power of attorney has been deposited with the Company in advance in accordance with Article 65 of the Articles of Association). A corporate shareholder shall appoint a legal representative or a proxy of the legal representative to attend the meeting. In the event when the legal representative attends the meeting, personal identity card and valid proofs capable of showing the eligibility of the legal representative shall be furnished. In the event when the proxy of the legal representative attends the meeting, the proxy shall present one's identity card and a written power of attorney issued by corporate shareholder in accordance with the laws (unless such power of attorney has been deposited with the Company in advance in accordance with Article 65 of the Articles of Association) (except where shareholder is a recognised clearing house (the "recognised clearing house") as defined in the relevant ordinances in force from time to time made by Hong Kong Law and the securities regulatory rules of the place where the company's shares are listed and its nominee). ……	Article 64 In the event of attending the meeting in person an individual shareholder shall present one's identity card or other valid certificates. In the event of appointing a proxy to attend, valid personal identity certificates and the shareholder's power of attorney shall be furnished (unless such power of attorney has been deposited with the Company in advance in accordance with Article **66** of the Articles of Association). A corporate shareholder shall appoint a legal representative or a proxy of the legal representative to attend the meeting. In the event when the legal representative attends the meeting, personal identity card and valid proofs capable of showing the eligibility of the legal representative shall be furnished. In the event when the proxy of the legal representative attends the meeting, the proxy shall present one's identity card and a written power of attorney issued by corporate shareholder in accordance with the laws (unless such power of attorney has been deposited with the Company in advance in accordance with Article **66** of the Articles of Association). **However, a shareholder which/who is a recognised clearing house or its proxy shall not be subject to the above restrictions, provided that he/she/it complies with the provisions of the Listing Rules.** ……
10	Article 72 The following matters shall be approved by ordinary resolutions in the shareholders' meeting: …… (6) The external guarantees as referred in Article 54 section (9) of the Articles of Association (except the external guarantees which shall be approved by special resolutions in the shareholders' meeting in accordance with Article 73 section (4) of the Articles of Association); and (7) Other matters other than those required by applicable laws and regulations or the Articles of Association to be approved by special resolutions.	Article 73 The following matters shall be approved by ordinary resolutions in the shareholders' meeting: …… (6) The external guarantees as referred in Article **55** section (9) of the Articles of Association (except the external guarantees which shall be approved by special resolutions in the shareholders' meeting in accordance with Article **74** section (4) of the Articles of Association); and (7) Other matters other than those required by applicable laws and regulations or the Articles of Association to be approved by special resolutions.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
11	Article 74 Shareholders seeking to convene an extraordinary general meeting or class shareholders' meeting shall follow the following procedures: …… Where the audit committee decides or shareholders themselves decide to convene an extraordinary general meeting or a class shareholders' meeting, it/they shall notify the board of directors of its/their decision in writing. Prior to the announcement of the resolution(s) of the extraordinary general meeting or class shareholders' meeting, the convening shareholders' shareholding shall not be less than ten percent (10%). For an extraordinary general meeting or a class shareholders' meeting convened by the audit committee or by shareholders themselves, the board of directors and the secretary to the board of directors shall cooperate with it/them in convening the meeting. The board of directors shall provide the register of shareholders as at the record date. The reasonable expenses required to convene and hold an extraordinary general meeting or a class shareholders' meeting by the audit committee or by shareholders themselves shall be borne by the Company.	Article 75 Shareholders seeking to convene an extraordinary general meeting or class shareholders' meeting shall follow the following procedures: …… Where the audit committee decides or shareholders themselves decide to convene an extraordinary general meeting or a class shareholders' meeting, it/they shall notify the board of directors of its/their decision in writing. Prior to the announcement of the resolution(s) of the extraordinary general meeting or class shareholders' meeting, the convening shareholders' shareholding shall not be less than ten percent (10%). For an extraordinary general meeting or a class shareholders' meeting convened by the audit committee or by shareholders themselves, the board of directors and the secretary to the board of directors shall cooperate with it/them in convening the meeting. The board of directors shall provide the register of shareholders as at the record date. The reasonable expenses required to convene and hold an extraordinary general meeting or a class shareholders' meeting by the audit committee or by shareholders themselves shall be borne by the Company.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
12	Article 75 …… In the event that the board of directors cannot or fails to perform the duty for convening a shareholders' meeting, the audit committee shall convene the shareholders' meeting upon shareholders' request in accordance with Article 74 of the Articles of Association. In the event that the audit committee cannot or fails to convene the shareholders' meeting, shareholders separately or jointly holding ten percent (10%) or more of the shares of the Company for a consecutive period of ninety (90) days or above may convene the meeting themselves. …… A shareholders' meeting convened by the shareholders themselves shall be subject to the provision in Article 74 of the Articles of Association and presided over by the convener or a representative elected by him/her, who shall also act as the chairman of the meeting. ……	Article 76 …… In the event that the board of directors cannot or fails to perform the duty for convening a shareholders' meeting, the audit committee shall convene the shareholders' meeting upon shareholders' request in accordance with Article **75** of the Articles of Association. In the event that the audit committee cannot or fails to convene the shareholders' meeting, shareholders separately or jointly holding ten percent (10%) or more of the shares of the Company for a consecutive period of ninety (90) days or above may convene the meeting themselves. …… A shareholders' meeting convened by the shareholders themselves shall be subject to the provision in Article **75** of the Articles of Association and presided over by the convener or a representative elected by him/her, who shall also act as the chairman of the meeting. ……
13	Article 79 If the shareholders' meeting requires the presence of directors, ~~**supervisors,**~~ general manager and other senior management personnel, directors, ~~**supervisors,**~~ general manager and other senior management personnel shall be present at the meeting and respond to the shareholders' enquiries.	Article 80 If the shareholders' meeting requires the presence of directors, general manager and other senior management personnel, directors, general manager and other senior management personnel shall be present at the meeting and respond to the shareholders' enquiries.
14	Article 81 The Company, wishing to alter or cancel the rights of class shareholders, shall proceed only by special resolution in the shareholders' meeting and by convening a separate meeting of affected class shareholders according to Articles 83 to 87.	Article 82 The Company, wishing to alter or cancel the rights of class shareholders, shall proceed only by special resolution in the shareholders' meeting and by convening a separate meeting of affected class shareholders according to Articles **84** to **88**.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
15	Article 83 Affected class shareholders, whether they have voting rights in the shareholders' meeting originally or not, shall have voting rights in class meetings in matters concerning Article 82 sections (2) to (8), and (11) to (12). However, shareholders with conflict of interest shall have no voting right in class meetings. The meaning of shareholder with conflict of interest in this Article is as follows: (1) "Shareholder with conflict of interest" is referred to the controlling shareholder as defined in Article 52 of the Articles of Association, when the Company issues repurchase offer for shares to all shareholders on pro rata basis according to Article 29 of the Articles of Association, or repurchase its shares in the open market approved by the Stock Exchange; (2) "Shareholder with conflict of interest" is referred to the shareholder who is a party in the negotiation to repurchase shares outside the Stock Exchange according to Article 29 of the Articles of Association; or ……	Article 84 Affected class shareholders, whether they have voting rights in the shareholders' meeting originally or not, shall have voting rights in class meetings in matters concerning Article **83** sections (2) to (8), and (11) to (12). However, shareholders with conflict of interest shall have no voting right in class meetings. The meaning of shareholder with conflict of interest in this Article is as follows: (1) "Shareholder with conflict of interest" is referred to the controlling shareholder as defined in Article **53** of the Articles of Association, when the Company issues repurchase offer for shares to all shareholders on pro rata basis according to Article **30** of the Articles of Association, or repurchase its shares in the open market approved by the Stock Exchange; (2) "Shareholder with conflict of interest" is referred to the shareholder who is a party in the negotiation to repurchase shares outside the Stock Exchange according to Article **30** of the Articles of Association; or ……
16	Article 84 To be effective, resolutions of a class shareholders' meeting shall be approved by two thirds (2/3) or more of the class shareholders with voting rights present at the meeting according to Article 83.	Article 85 To be effective, resolutions of a class shareholders' meeting shall be approved by two thirds (2/3) or more of the class shareholders with voting rights present at the meeting according to Article **84**.
17	Article 87 Other than the shareholders of other classes of shares, shareholders of domestic shares and overseas listed foreign shares are considered as shareholders of different classes of shares. …… (2) The issue of domestic and overseas listed foreign shares had been completed within fifteen (15) months after receiving the approval of the China Securities Regulatory Commission when the Company was first established.	Article 88 Other than the shareholders of other classes of shares, shareholders of domestic shares and overseas listed foreign shares are considered as shareholders of different classes of shares. …… (2) The issue of domestic and overseas listed foreign shares had been completed within fifteen (15) months after receiving the approval of the **CSRC** when the Company was first established.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
18	Article 97 …… The quorum of a committee or working group shall be two (2) members or more than one-half of its members, whichever is higher. Articles 93 to 96 of the Articles of Association regarding the rules on agenda and minutes of the board meetings are also applicable to committees and working groups, unless otherwise governed by the rules established by the board of directors according to the above paragraph. ……	Article 98 …… The quorum of a committee or working group shall be two (2) members or more than one-half of its members, whichever is higher. Articles **94** to **97** of the Articles of Association regarding the rules on agenda and minutes of the board meetings are also applicable to committees and working groups, unless otherwise governed by the rules established by the board of directors according to the above paragraph. ……
19	Article 103 The Company shall have a secretary to the board of directors. ~~**He is a member of senior management of the Company**~~.	Article 104 The Company shall have a secretary to the board of directors.
20	–	**Chapter 14 Party Organizations**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
		Article 111 In accordance with the Constitution of the Communist Party of China, the Company shall establish a committee of Hainan Meilan International Airport Company Limited under the Communist Party of China (the "Company's Party Committee") and a commission for discipline inspection of Hainan Meilan International Airport Company Limited under the Communist Party of China (the "Company's Commission for Discipline Inspection"). **Article 112 The number of positions for the Secretary, Deputy Secretaries and members of the Company's Party Committee, and that for the Secretary and members of the Company's Commission for Discipline Inspection, shall be determined in accordance with the approval of higher-level Party organizations and shall be filled through election or appointment in accordance with the Constitution of the Communist Party of China and other relevant provisions.** **Article 113 The Company's Party Committee shall establish a Party Committee office as its daily administrative department, and the Company's Commission for Discipline Inspection shall establish a Discipline Inspection office as its daily administrative department.** **Article 114 The organizational structure and staffing of Party organizations shall be incorporated into the Company's management structure and staffing plan. The operating expenses of Party organizations shall be included in the Company's budget and charged to the Company's administrative expenses.** **Article 115 The Company shall, in accordance with relevant regulations and under the leadership of the Party, establish Communist Youth League organizations at various levels and provide the necessary conditions for the activities of such organizations in accordance with relevant regulations.**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
		Article 116 The Company's Party Committee shall perform its duties in accordance with the Constitution of the Communist Party of China and other intra-Party regulations, giving full play to Party organizations' vital role in setting the direction, overseeing the overall situation and ensuring implementation. It shall exercise the following powers in accordance with law: **(1) to fully discharge the primary responsibility for exercising full and rigorous Party self-governance, strengthen Party building within the enterprise, play its role as the leadership core and political core and carry out work centered on the Company's production and operations;** **(2) to ensure and supervise the implementation of the Party's and the state's principles and policies, as well as major decisions and deployments of higher-level Party organizations, within the Company;** **(3) to support the shareholders' meeting, the board of directors and the executive management in exercising their powers in accordance with law;** **(4) to consider and arrange the Company's Party-building work, strengthen the development of Party organizations themselves and lead ideological and political work, cultural and ethical progress and the work of mass organizations such as trade unions and the Communist Youth League;** **(5) prior to considering and deciding on the Company's "Three Important and One Large" matters (including major decisions, important personnel appointments and removals, major project arrangements and large-scale capital operations), the board of directors and the executive management shall first seek the opinions of the Party Committee. Major operational and management matters must be reviewed and discussed by the Company's Party Committee before a decision is made by the board of directors or the executive management;**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
		(6) to strengthen the responsibilities of the Company's Party Committee in the selection, appointment, training, education, management and supervision of the Company's leaders, support the board of directors in selecting members of the executive management in accordance with law and support the executive management in exercising their personnel authority in accordance with law, and resolutely prevent and rectify improper practices in the selection and appointment of personnel; (7) to diligently fulfill the primary responsibility for promoting Party conduct and integrity, consider and arrange work related to Party conduct and integrity as well as anti-corruption efforts, and support the Commission for Discipline Inspection in fulfilling its supervisory responsibilities regarding Party conduct and integrity; (8) to rely wholeheartedly on the workforce and support the work of the employee representative congress; (9) to consider other matters that shall be decided by the Company's Party Committee. Article 117 The Company shall uphold and improve the leadership system of "two-way entry and cross-appointment". Members of the leadership team of the Company's Party Committee who meet the qualifications may join the board of directors and the executive management through statutory procedures. Party members among the members of the board of directors and executive management who meet the qualifications may join the leadership team of the Company's Party Committee in accordance with relevant regulations and procedures.

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
		Article 118 The Company's Party Committee shall strengthen its day-to-day supervision, management and comprehensive assessment of the Company's leadership, particularly its principal leaders, and effectively fulfill its primary responsibility. **Article 119 The Company's Party Committee shall carry out its work and strengthen its own organizational development in accordance with the Constitution of the Communist Party of China and other relevant regulations. It shall wholeheartedly rely on the workforce, support the work of the employee representative congress, strengthen the democratic management and supervision of employees, and effectively safeguard the lawful rights and interests of employees.** **Article 120 The Company's Party Committee shall formulate the "Rules of Procedure for Party Committee Meetings" to clarify the deliberation methods and voting procedures of the Company's Party Committee, thereby ensuring the efficiency of its work and scientific decision-making.**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
		Article 121 The responsibilities of the Company's Commission for Discipline Inspection include: **(1) to uphold full and rigorous Party self-governance and safeguard the Party's constitution and other intra-Party regulations;** **(2) to ensure and supervise the implementation of the Party's line, principles, policies and resolutions within the Company;** **(3) to assist the Party Committee in strengthening Party conduct and integrity and coordinating anti-corruption efforts, and consider and arrange disciplinary inspection work;** **(4) to implement important decisions, resolutions and work arrangements issued by higher-level disciplinary inspection commissions and the Company's Party Committee;** **(5) to educate the Company's Party members on Party conduct and integrity, and make decisions regarding the maintenance of Party discipline;** **(6) to supervise the exercise of powers by Party members who occupy leadership positions in the Company;** **(7) in accordance with its duties and authority, to investigate and handle cases involving violations of the Party's constitution and other intra-Party regulations by Party organizations and Party members in the Company's subordinate units;** **(8) to accept complaints and appeals from Party members of the Company and safeguard their rights;** **(9) to consider other matters that shall be decided by the Company's Commission for Discipline Inspection.**

Number	Original Articles of Association	Proposed Amendments to the Articles of Association
21	Article 114 The directors, general manager and other senior management personnel of the Company shall not: …… (6) Commit other acts in breach of the duty of loyalty to the Company under applicable laws and regulations and the Articles of Association.	Article 126 The directors, general manager and other senior management personnel of the Company shall not: …… (6) Commit other acts in breach of the duty of loyalty to the Company **as provided in** applicable laws and regulations and the Articles of Association.
22	Article 121 The income derived by directors, general manager and other senior management personnel in violation of the provisions of Article 114 and Articles 118 to 120 of the Articles of Association shall belong to the Company.	Article 133 The income derived by directors, general manager and other senior management personnel in violation of the provisions of Article **126** and Articles **130** to **132** of the Articles of Association shall belong to the Company.
23	As a result of the above amendments, the numbering of the relevant sections and Articles of the original Articles of Association has changed and, as a consequence of the aforesaid changes in Article numbering, corresponding adjustments will be made, as appropriate, to the numbers of the Articles cited or referred to in the contents of the relevant original Articles.	

The Articles of Association and the proposed amendments to the Articles of Association are written in Chinese without any official English version. The English version is for reference only. If there is any inconsistency between the English and Chinese versions of the Articles of Association, the Chinese version shall prevail.

The proposed amendments to the Articles of Association are subject to the consideration and approval of the shareholders of the Company (the "**Shareholders**") by way of a special resolution at the extraordinary general meeting (the "**EGM**") of the Company and (if required) the approval of the relevant competent authorities in the PRC.

(I) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

(II) DISCLOSURE OF INTERESTS

Directors' Interest and Short Position

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules; or would be required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO.

Hainan Airport Infrastructure is the controlling shareholder of the Company, and its shares are listed on the Shanghai Stock Exchange (Stock Code: 600515.SH). For information regarding its business operations, please refer to its disclosures on the website of the Shanghai Stock Exchange. Mr. Ya Zhihui, a non-executive Director, serves as the employee director of Hainan Airport Infrastructure; and Mr. Zhou Peng, a non-executive Director, serves as a director of Hainan Airport Infrastructure (Hongkong) Co., Limited (a wholly-owned subsidiary of Hainan Airport Infrastructure).

As at the Latest Practicable Date, none of the Directors had any material interest, directly or indirectly, in any asset which, since 31 December 2025, being the date to which the latest audited consolidated financial statements of the Group have been made up, had been acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group.

No contract or arrangement of significance to which the Company, any of its holding companies, fellow subsidiaries or subsidiaries was a party and in which a Director had a material interest and which was significant to the Group's business, whether directly or indirectly, subsisted at the date of this circular.

Mr. Wang Hong, an executive Director, the chairman of the Board, serves as the vice president and member of the party committee at Hainan Airport Group (which is the holding company of Hainan Airport Infrastructure); Mr. Ya Zhihui, a non-executive Director, serves as the general manager of the audit department and employee director of Hainan Airport Infrastructure; and Mr. Zhou Peng, a non-executive Director, serves as the general manager of the investment operation department of Hainan Airport Infrastructure and a director of Hainan Airport Infrastructure (Hongkong) Co., Limited.

Save as disclosed above, as at the Latest Practicable Date, no other Director was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders' Interests in Shares

As at the Latest Practicable Date, so far as was known to the Directors, or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or would be required to be recorded in the register to be kept by the Company under section 336 of the SFO.

Domestic Shares

Name of Shareholders	Capacity	Number of Domestic Shares	Percentage to Domestic Shares issued	Percentage to total issued share capital
Hainan Airport Infrastructure *(Note 1)*	Beneficial owner	241,012,500 (L)	97.85%	50.93%
Hainan Development Holdings *(Note 1)*	Interest of controlled corporations	241,012,500 (L)	97.85%	50.93%

H Shares

Name of shareholders	Capacity	Number of H shares	Percentage to H shares issued	Percentage to total issued share capital
Hainan Airport Infrastructure *(Note 1)*	Interest of controlled corporations	54,170,087 (L)	23.87%	11.45%
Hainan Development Holdings *(Note 1)*	Interest of controlled corporations	54,170,087 (L)	23.87%	11.45%
M&G Plc *(Note 2)*	Interest of controlled corporations	46,069,000 (L)	20.30%	9.74%
M&G Investment Funds (1) *(Note 3)*	Beneficial owner	16,161,000 (L)	7.12%	3.42%

Notes:

(1) Hainan Airport Infrastructure is established in the PRC and is the controlling shareholder of the Company. According to the disclosure of interests filed on the website of the Stock Exchange, Hainan Development Holdings held 100% interests in Hainan Airport Group Co., Ltd. (海南機場集團有限公司), which held 24.87% interests in Hainan Airport Infrastructure (which was controlled by Hainan Development Holdings). Hainan Airport Infrastructure (Hongkong) Co., Limited is a wholly-owned subsidiary of Hainan Airport Infrastructure and held 54,170,087 H Shares as beneficial owner in long position. Therefore, Hainan Airport Infrastructure was deemed to be interested in the 54,170,087 H Shares in long position, and Hainan Development Holdings was deemed to be interested in the 241,012,500 Domestic Shares and 54,170,087 H Shares in long position.

(2) According to the disclosure of interest filed on the website of the Stock Exchange, M&G Plc held 100% interest in M&G Group Regulated Entity Holding Company Limited, which held 100% interest in M&G Group Limited. M&G Plc also held 100% interest in The Prudential Assurance Company. M&G Group Limited held 100% interest in M&G FA Limited, which held 100% interest in M&G Luxembourg S.A., M&G Investment Management Limited, M&G Securities Limited and M&G Investments (Singapore) Pte. Ltd. Accordingly, M&G Plc was deemed to be interested in the 7,498,000, 46,069,000, 36,890,000 and 46,069,000 H Shares in long position held by M&G Luxembourg S.A., M&G Investment Management Limited, M&G Securities Limited and M&G Investments (Singapore) Pte. Ltd respectively.

(3) According to the disclosure of interest filed on the website of the Stock Exchange, M&G Investment Funds (1) was a managed fund of M&G Investment Management Limited.

(4) (L) represents long position.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no other person (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or would be required to be recorded in the register to be kept by the Company under section 336 of the SFO.

(III) SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(IV) MATERIAL ADVERSE CHANGES

Since 31 December 2025 (the date to which the latest audited financial statements of the Group were made up) and as at the Latest Practicable Date, save as disclosed in this circular, the Directors were not aware of any material adverse change in the financial position or trading position of the Group.

(V) LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance which was required to be disclosed and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries which was required to be disclosed.

(VI) EXPERT AND CONSENT

The following are the qualifications of the experts who have given opinions or advices, which is contained in this circular:

Name	Qualifications
Octal Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Beijing YaChao Assets Appraisal Co., Ltd.	Professional valuer

Each of Octal Capital and Beijing YaChao has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter/report and the reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Octal Capital and Beijing YaChao was not beneficially interested in the share capital of any member of the Group nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which had been, since the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

(VII) MISCELLANEOUS

- The secretary of the Company is Mr. Chen Yingjie. Mr. Chen Yingjie, aged 39, is a senior economist certified by the Ministry of Human Resources and Social Security of the PRC, with qualification certificates of secretary for directorate issued by the Shenzhen Stock Exchange and the Shanghai Stock Exchange, respectively. He also holds a securities practitioner qualification certificate issued by the Securities Association of China and a fund practitioner qualification certificate issued by the Asset Management Association of China. He has been acting as the general manager of the department of investment and operation (Office of the Board) of the Company, assisting the chairman of the Board to manage the listing affairs of the Company.

- The registered address of the Company is at the Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC.

- The Hong Kong Branch Share Registrar and Transfer Office of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

- The English text of this circular and the form of proxy shall prevail over the Chinese text if there is any inconsistency.

(VIII) MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date:

(i) the agreements in relation to the new loan, pursuant to which the lenders agreed to grant a loan to the Company and Haikou Meilan International Airport Company Limited (海口美蘭國際機場有限責任公司) on a joint and several liability basis in the principal amount of RMB6.36327 billion, further details of which are disclosed in the announcement dated 31 December 2024 and the circular dated 28 January 2025 of the Company; and

(ii) the Equity Transfer Agreement.

(IX) DOCUMENTS ON DISPLAY

Copies of the following documents will be posted on the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.mlairport.com) for at least 14 days from the date of this circular:

- the Equity Transfer Agreement; and
- the written consents referred to in the paragraph headed "Expert and Consent" in this Appendix.

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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Hainan Meilan International Airport Company Limited (the "**Company**") will be held at 10:00 a.m. on Friday, 27 November 2026 at the meeting room of the Company on 3rd Floor, Office Building of Meilan Airport, Haikou City, Hainan Province, the People's Republic of China (the "**PRC**") for the purpose of considering and, if thought fit, passing the following resolutions. Unless the context otherwise requires, expressions used in this notice shall have the same meaning as those set out in the circular of the Company dated 5 November 2026.

BY WAY OF ORDINARY RESOLUTIONS

1. To consider, approve and ratify the Equity Transfer Agreement and the Disposal contemplated thereunder, and to authorise the Board, which further authorises the chairman of the Board, to execute, implement, ratify, amend and complete all other agreements and documents and do any act as necessary and appropriate in relation to the Equity Transfer Agreement and the Disposal contemplated thereunder;

2. To consider and approve the appointment of Ms. Jiang Lini (江麗妮女士) as a non-executive director of the Company, and to authorise the chairman of the Board or any executive director of the Company to execute a service contract or such other documents or supplemental agreements or deeds on behalf of the Company;

3. To consider and approve the proposed adjustment to the annual remuneration proposal for the Directors for the year 2026;

4. To consider and approve the proposed registration and issuance of the CMBN, and to authorise the Board (and the Board to further delegate such authorisation to the management of the Company) to deal with all matters in relation to the CMBN Issuance; and

5. To consider and approve proposals (if any) put forward at such meeting by any Shareholder(s) holding one per cent (1%) or more of the Shares carrying the right to vote at such meeting.

* *For identification purposes only*

BY WAY OF SPECIAL RESOLUTIONS

6. To consider and approve the proposed amendments to the Articles of Association, and to authorise the chairman of the Board to sign and deal with full authority all and every documents and procedures required for the commercial registration/filings in relation to the amendments to the Articles of Association (including making corresponding revisions or adjustments to the Articles of Association in accordance with the oral or written opinions/requirements of the relevant regulatory authorities); and

7. To consider and approve proposals (if any) put forward at such meeting by any Shareholder(s) holding one per cent (1%) or more of the Shares carrying the right to vote at such meeting.

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

Hainan Province, the PRC
5 November 2026

As at the date of this notice, the Board comprises (i) three executive Directors, namely Mr. Wang Hong, Mr. Qiu Guoliang and Mr. Xiang Xiujin; (ii) two non-executive Directors, namely Mr. Ya Zhihui and Mr. Zhou Peng; (iii) four independent non-executive Directors, namely Mr. Fung Ching, Simon, Mr. Ye Zheng, Ms. Liu Hongbin and Ms. Tang Bi; and (iv) one employee Director, namely Mr. Tian Qingquan.

* *For identification purposes only*

Notes:

(i) The Company's register of members will be closed from Friday, 20 November 2026 to Friday, 27 November 2026 (both days inclusive), during which no transfer of shares will be registered. The Shareholders who are registered on Friday, 20 November 2026, being the record date for the EGM, and their proxies will be entitled to attend the EGM, provided they present valid identity documents. In order to qualify for attending and voting at the EGM, Shareholders must deliver their transfer documents, accompanied by the relevant share certificates and forms of transfer, to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for H Shareholders) or the office of the secretary to the Board at the Office Building of Meilan Airport, Haikou City, Hainan Province, the PRC (for Domestic Shareholders), no later than 4:30 p.m. on Thursday, 19 November 2026.

(ii) Shareholders whose names appear on the Company's register of members at the close of business on Friday, 20 November 2026 are entitled to attend and vote at the EGM after complying with the necessary registration procedures.

(iii) Each holder of H Shares who has the right to attend and vote at the EGM (or any adjournment thereof) is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. A proxy of a Shareholder who has appointed more than one proxy may only vote on a poll.

(iv) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified. The instrument appointing a proxy of any holder of H Shares (being a body corporate) must be affixed with the corporate seal of such holder of H Shares or duly signed by the chairman of its board of directors or by its authorised attorney. The form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.

(v) Each holder of Domestic Shares is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. Notes (iii) and (iv) also apply to holders of Domestic Shares, except that the form of proxy or other documents of authority must be delivered to the office of the secretary to the Board, not less than 24 hours before the time for holding the EGM or any adjournment thereof in order for such documents to be valid.

Details of the office of the secretary to the Board are as follows:

Office Building of Meilan Airport
Haikou City
Hainan Province
the PRC
Tel: (86-898) 6996 6239
Fax: (86-898) 6996 6999

(vi) If a proxy attends the EGM on behalf of a Shareholder, he should produce his ID card and the instrument signed by the proxy or his authorised representative, which specifies the date of its issuance. If the legal representative of the holder of legal person Share(s) attends the EGM, such legal representative should produce his ID card and valid documents evidencing his capacity as such legal representative. If a holder of legal person Share(s) appoints a representative of a company other than its legal representative to attend the EGM, such representative should produce his ID card and an authorisation instrument affixed with the seal of the holder of the legal person Share(s) and duly signed by its legal representative.

(vii) The EGM is expected to last not more than one day. Shareholders or proxies attending the EGM are responsible for their own transportation and accommodation expenses.

(viii) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the EGM will demand a poll in relation to all the proposed resolutions at the EGM.