

HAINAN AIRLINES COMPANY LIMITED

ANNOUNCEMENT ON TERMINATION OF CONVERTIBLE BOND ISSUE HAINAN AIRLINES HOLDING COMPANY LIMITED

The board of directors of the Hainan Airlines Holding Company Limited and its entire members hereby guarantee that there is no significant omission, fictitious description or serious misleading of information in this announcement and they will take both individual and joint responsibilities for the truthfulness, accuracy and completeness of the content.

Due to the changes in the capital market circumstances, the Hainan Airlines Holding Company Limited (hereinafter referred to as "the Company") reviewed the situation and considered the latest strategic plans and actual operation needs comprehensively. It decides to terminate the issue plan of convertible corporate bond passed by the 5th session of the eighth board of directors of the Company convened on May 19 of 2017.

1. Generals of the Corporate Bond Issue

On May 19 of 2017, the 5th session of the Company's eighth board of directors deliberated and passed through the Report on Convertible Corporate Bond Issue Plan and relevant proposals. The General Meeting of Shareholders to deliberate above plan has not been convened yet.

2.Reasons for Termination of Bond Issue

Since the announcement of the plan of A-share convertible corporate bond issue, the board of directors and managements of the Company and intermediary agencies have been actively promoting the issue related works. However, due to the changes in the capital market circumstances, the Company reviewed the situation and considered the latest strategic plans and actual operation needs comprehensively. It finally decides to terminate the issue plan of convertible corporate bond after careful study and full discussion with the intermediary.

3.Influences

Currently, the Company's operation is normal. The termination of the convertible corporate bond issue would not have a substantial impact on its existing production and business activities.

4. Opinion of Independent Directors

4.1 The Company made the decision to terminate the convertible corporate bond issue after it comprehensively considered the market circumstances and other factors and careful study and repeated argumentation. It's a decision based on the actual situation of the Company.

4.2 The board of directors of the Company carried out necessary procedures while deliberating the proposal. It's in accordance with the relevant laws and regulations and the Articles of Association of the Company.

4.3 The Company applied to terminate the convertible bond issue. It would not have any significant negative influence on the operation and stable development of the Company. There's no situation which would damage the interests of the Company and other shareholders, especially the minority shareholders.

In conclusion, the independent directors agreed with the application for termination of convertible bond issue.

This proposal has been deliberated and approved by the 24th session of the eighth board of directors of the Company.

Board of Directors
Hainan Airlines Holding Company Limited
June 9, 2018

ANNOUNCEMENT ON ISSUING STOCK TO RAISE SUPPORTING FUND AND POSTPONING STOCK TRADE SUSPENSION HAINAN AIRLINES HOLDING COMPANY LIMITED

The board of directors of the Hainan Airlines Holding Company Limited and its entire members hereby guarantee that there is no significant omission, fictitious description or serious misleading of information in this announcement and they will take both individual and joint responsibilities for the truthfulness, accuracy and completeness of the content.

The Hainan Airlines Holding Company Limited (hereinafter referred to as the Company) applied to suspend the stock trading (stock code: 600221, 900945; stock abbreviation: HHKG, HHKG-B) from the stock market opening of Jan. 10 of 2018 since it had been planning an important matter and initiated the implementation of assets reorganization procedure from the stock market opening of Jan. 24 of 2018. It's expected that the term of stock transaction suspension would not exceed one month from Jan. 10 of 2018. During the stock trade suspension, the Company published the related announcements. For details, please refer to the ANNOUNCEMENT ON TRADE SUSPENSION BROUGHT BY SIGNIFICANT EVENT on Jan. 11 of 2018, the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION EVENT on Jan. 17 of 2018, the ANNOUNCEMENT ON TRADE SUSPENSION BROUGHT BY MATERIAL ASSETS REORGANIZATION ON Mar. 24 of 2018, the ANNOUNCEMENT ON SHAREHOLDERS' INFORMATION BEFORE THE TRANSACTION SUSPENSION ON Jan. 26 of 2018, the ANNOUNCEMENT ON TRADE SUSPENSION PROGRESS ON Jan. 31 of 2018, and the ANNOUNCEMENT ON SHAREHOLDERS' INFORMATION BEFORE THE TRANSACTION SUSPENSION ON Feb. 7 of 2018.

Upon one month of above stock trading suspension, the Company disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON Feb. 10 of 2018 and above trading suspension continued for a period of no more than one month from Feb. 12 of 2018. The Company disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON Feb. 24 of 2018 and the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON Mar. 3 of 2018.

Upon two months of above stock trading suspension, the Company disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON Mar. 10 of 2018. It's estimated that the term of stock transaction suspension would not exceed one month from Mar. 12 of 2018. The Company disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON Mar. 17 of 2018, the ANNOUNCEMENT ON APPLICATION FOR POSTPONING STOCK TRADE SUSPENSION ON Mar. 24 of 2018 and the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON Mar. 31 of 2018.

Upon three months of above stock trading suspension, it's approved by the board of directors, general meeting of shareholders and the SSE that it would postpone for another tow months. It's estimated that the stock transaction resumption would not be later than June 9 of 2018. On April 10 of 2018, the Company disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE. It disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON April 17 of 2018, the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON April 24 of 2018 and the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON May 3 of 2018.

Upon four months of above stock trading suspension, the Company disclosed the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON May 10 of 2018, the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON May 17 of 2018, the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON May 24 of 2018, the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON May 31 of 2018 and the ANNOUNCEMENT ON PROGRESS OF TRADE SUSPENSION BROUGHT BY ASSETS RESTRUCTURE ON June 7 of 2018.

As of the date of this announcement, the 24th session of the eighth board of directors deliberated and passed through the Report on the Pre-plan of Issuing Stock to Purchase Assets and Raise Supporting Funds (i.e. Connected Transactions) and its Summary and the relevant proposals. According to related administration requirements, the SSE would carry out its post audit on the pre-plan of issuing stock to purchase assets and raise supporting funds (i.e. connected transactions) and relevant documents. Therefore the stock trade suspension would continue. The Company would timely disclose related information and resume the stock transaction according to the regulations.

We solemnly remind the investors that the designated information disclosure medias of the Company are the China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily, Hongkong's Wen Wei Po and the website of the SSE (www.sse.com.cn). Please refer to the information disclosed by the Company on above designated media and also pay attention to subsequent related announcements and investment risks.

Board of Directors
Hainan Airlines Holding Company Limited
June 9, 2018

GENERAL WARNING OF RISKS ASSOCIATED WITH CONNECTED TRANSACTIONS HAINAN AIRLINES HOLDING COMPANY LIMITED

The board of directors of the Hainan Airlines Holding Company Limited and its entire members hereby guarantee that there is no significant omission, fictitious description or serious misleading of information in this announcement and they will take both individual and joint responsibilities for the truthfulness, accuracy and completeness of the content.

The Hainan Airlines Holding Company Limited (hereinafter referred to as the Company) applied to suspend the stock trading (stock code: 600221, 900945; stock abbreviation: HHKG, HHKG-B) from the stock market opening of Jan. 10 of 2018 since it had been planning an important matter and initiated the implementation of reorganization procedure from the stock market opening of Jan. 24 of 2018. During the period of transaction suspension, the Company would strictly perform its duty of information disclosure and disclose the progress on the material assets reorganization every 5 trading days according to regulations of related administrative rules and laws.

On June 8 of 2018, the 24th session of the eighth board of directors deliberated and passed through the Report on the Pre-plan of Issuing Stock to Purchase Assets and Raise Supporting Funds (i.e. Connected Transactions) and its Summary and the relevant proposals. The Company would issue stock to buy assets from its trading counterparts. The Company would buy 60.78% shares of the Haihang Technology Company Limited and 59.93% shares of the HNA Aviation (Hong Kong) Technics Holding Co., Ltd and 100% equity of the Hainan Tianyu Flight Training Company Limited held by the Haihang Aviation Group Company Limited; 29.72% equity of the Western Airlines Company Limited held by the Tianjin Chuangxin Investment Partnership (LP); 60% equity of the Chongqing Western Airlines Holding Company Limited held by the HNA Group (Southwest Headquarter) Company Limited. The Company would raised the supporting funds from no more than 10 specific investors through private issue of A-shares in the method of inquiry. The total amount of the supporting fund to be raised would not exceed RMB 7,033,802,700 yuan (hereinafter referred to as this Transaction). For details, please refer to the ANNOUNCEMENT OF RESOLUTIONS OF BOARD OF DIRECTORS of the 24th session of the eighth board of directors disclosed on the same day of this announcement and relevant documents.

If there were obvious anomalies in stock transactions before the stock trading suspension of the Company according to the regulations of the Notice on Further Strengthening the Regulation of Abnormal Stock Transaction Related to Material Assets Reorganization of Listed Companies, the Company may be at risk of being investigated for insider trading which would cause the suspension and termination of this Transaction.

This Transaction would need to perform following procedures:

1. The formal plan of this Transaction would need to be deliberated and approved by the board of directors and the shareholder's general meeting;

2. The related target companies would need to perform their internal decision-making procedures first;

3. In this Transaction, the Company plans to buy 29.72% equity of the Western Airlines Company Limited which would need to be approved by the Civil Aviation Administration of Southwest China;

4. In this Transaction, the Company plan to buy 60% equity of the Chongqing Western Airlines Holding Company Limited from the HNA Group (Southwest Headquarter) Company Limited. However, other shareholder of the Chongqing Western Airlines Holding Company Limited, the Chongqing Yufu Assets Operation and Management Group Company Limited, shall waive the preemption right first.

5. This Transaction still needs to obtain the approval of the relevant regulatory authorities on the concentration of operators involved in the transaction (if any);

6. The official plan of this Transaction shall be subject to the approval of the State-owned Assets Supervision and Administration Commission of Hainan Province;

7. This material asset reorganization shall be first examined and approved by the Merger and Reorganization Committee of the China Securities Regulatory Commission, then approved by the China Securities Regulatory Commission.

There is uncertainty as to whether or not and when above matters would be approved. Without above stated approvals, the material asset reorganization plan shall not be implemented. We kindly remind investors of above risks.

We solemnly remind the investors that the designated information disclosure medias of the Company are the China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily, Hongkong's Wen Wei Po and the website of the SSE (www.sse.com.cn). Please refer to the information disclosed by the Company on above designated media and pay attention to subsequent related announcements and investment risks.

Board of Directors
Hainan Airlines Holding Company Limited
June 9, 2018

ANNOUNCEMENT OF RESOLUTIONS OF BOARD OF DIRECTORS HAINAN AIRLINES HOLDING COMPANY LIMITED

The entire board of directors of the Company guarantees there's no significant omission, fictitious description or serious misleading of the announcement and would take both individual and joint responsibilities for the truthfulness, accuracy and completeness of its content.

The 24th session of the eighth board of directors of the Hainan Airlines Holding Company Limited (hereinafter referred to as "the Company") was convened in the method of communication on June 8 of 2018. The entire board of directors (seven directors) participated the meeting, which conforms to the regulations of the Company Law and Articles of Association. During the meeting, following proposals were deliberated and passed through:

1. The Report on Termination of Convertible Corporate Bond Issue

The board of directors agreed to terminate the issue of convertible corporate bonds. On May 19 of 2017, the proposal on issuing the convertible corporate bond was deliberated and passed through by the 5th session of the eighth board of the Company.

Opinion of independent directors:

① The Company made the decision to terminate the convertible corporate bond issue after it comprehensively considered the market circumstances and other factors and careful study and repeated argumentation. It's a decision based on the actual situation of the Company.

② The board of directors of the Company carried out necessary procedures while deliberating the proposal. It's in accordance with the relevant laws and regulations and the Articles of Association of the Company.

③ The Company applied to terminate the convertible bond issue. It would not have any significant negative influence on the operation and stable development of the Company. There's no situation which would damage the interests of the Company and other shareholders, especially the minority shareholders.

In conclusion, the independent directors agreed with the application for termination of convertible bond issue.

Voting result: 7 affirmative votes, 0 dissenting vote, 0 abstention vote.

2. The Report on Qualification of Issuing Stock to Buy Assets and Raise Supporting Funds (i.e. Connected Transactions)

The Company implemented careful self-examination and argument on the actual situation and related matters in accordance with the regulations of the Company Law, Securities Law and Measures for the Administration of Material Assets Reorganization of Listed Companies. The board of directors of the Company considers that the proposal on issuing stock to buy assets and connected transactions conforms with above stated regulations and the Company is qualified to issue shares to specific objects to buy assets.

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

This proposal shall be submitted to the general meeting for approval.

3. The Report on the Completeness and Compliance of Legal Procedures and Validity of Legal Documents in the Stock Issue

The board of directors considers that the legal procedures performed in this transaction are complete and in accordance with the relevant laws and regulations and Articles of Association. The legal documents submitted to the SSE are legal and effective and do not contain any false records, misleading statements or material omissions. The board of directors and all the directors of the Company would take both individual and joint liabilities for the authenticity, accuracy and completeness of the aforesaid documents.

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

For details, please refer to the Specifications on the Completeness and Compliance of Legal Procedures and Validity of Legal Documents in the Stock Issue disclosed on the same with this announcement.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

This proposal shall be submitted to the general meeting for approval.

4. The Report on the Specific Plan to Issue Stock for Purchasing Assets and Raising Supporting Funds (i.e. Connected Transactions)

The board of directors voted item by item on the specific plan to purchase assets and raise supporting funds by issuing stock (i.e. connected transaction). Following is the detail:

4.1 Generals

The board of directors agreed that the Company could issue stock to buy assets from its trading counterparts. The Company could buy 60.78% shares of the Haihang Aviation Technology Company Limited (hereinafter referred to as the Haihang Technology) and 59.93% shares of the HNA Aviation (Hong Kong) Technics Holding Co., Ltd (hereinafter referred to as the HNA Aviation) and 100% equity of the Hainan Tianyu Flight Training Company Limited (hereinafter referred to as the Tianyu Flight Training) held by the Haihang Aviation Group Company Limited (hereinafter referred to as the Haihang Aviation Group); 29.72% equity of the Western Airlines Company Limited (hereinafter referred to as the Western Airlines) held by the Tianjin Chuangxin Investment Partnership (LP, hereinafter referred to as the Tianjin Chuangxin Investment); 60% equity of the Chongqing Western Airlines Holding Company Limited (hereinafter referred to as the Western Holding) held by the HNA Group (Southwest Headquarter) Company Limited (hereinafter referred to as the HNA Southwest Headquarter). The Company would raised the supporting funds from no more than 10 specific investors (including the Temasek Fullerton Alpha Pte Ltd) through private issue of A-shares in the method of inquiry. The total amount of the supporting fund to be raised would not exceed RMB 7,033,802,700 yuan (hereinafter referred to as this Transaction).

The raised fund would be used to invest in the construction of following projects: ① The Tianjin Engine Maintenance Investment Project of the Haihang Technology; ② The Xi'an Accessory Maintenance Investment Project of the Haihang Technology; ③ The Chongqing Tianyu Flight Training Center Project; ④ The Shaanxi Chang'an Tianyu Flight Training Center Project; ⑤ The Flight Training Simulator Purchase Project of the Tianyu Flight (Haikou) Training Center Project; ⑥ The Chongqing Jiangbei Airport Production Base (Phase II) Construction Project of the Western Airlines; ⑦ To buy 4 aircraft for the Western Airlines.

It's estimated that the Company would finish the work of re-election of the board of directors of the Company after the completion of this Transaction. The controlling shareholder of the Company would be changed into the Haihang Aviation Group Company Limited and its concerted actors from the Grand China Air Company Limited (hereinafter referred to as the Grand China Air) and its concerted actors. The actual controller would be changed into Hainan Provincial Chihang Charity Funds (hereinafter referred to as the Chihang Funds) from the the Hainan Provincial State-owned Assets Supervision and Administration Commission (hereinafter referred to as Hainan Provincial State-owned Assets Commission).

This Transaction is divided into two parts which include share issue to buy assets and share issue to raised supporting fund. However, the share issue for purchasing assets would not take the successful implementation of raising supporting funds as a prerequisite and the success or failure of raising supporting funds would not affect the implementation of the assets purchase in this issue.

4.1.1 Assets to be purchased in this issue

As of the date of the meeting of the board of directors, the audit and evaluation on the underlying assets is in progress. The advance valuation and preliminary trading price of the target assets are listed below:

| Underlying Assets | Advance Valuation (In RMB 10,000 yuan) | Transaction Pricing (In RMB 10,000 yuan) |
|--|---|---|
| 60.78% Shares of the Haihang Technology | 333,681.68 | 333,681.68 |
| 59.93% Shares of the HNA Aviation | 234,481.18 | 234,481.18 |
| 100.00% Equity of the Tianyu Flight Training | 52,120.18 | 52,120.18 |
| 29.72% Equity of the Western Airlines | 246,901.94 | 246,901.94 |
| 60.00% Equity of the Western Holding | 180,619.49 | 180,619.49 |
| Total | 1,047,804.47 | 1,047,804.47 |

The Company intends to pay the total transaction consideration by issuing shares for total amount of RMB 10,478 million yuan.

The issue price shall be the higher value between the Company's audited net assets per share in last year and 90.00% of the average price of A-shares traded during previous 20 days, 60 days and 120 day before the benchmark date.

According to above principles, the initial price of the shares to be issued is primarily confirmed at RMB 3.12 yuan per share through friendly negotiation of the trading parties. The total share amount to be issued by the Company for the purchase of assets would account for 3,358,347,663 shares.

During the period of the pricing benchmark date to the issue date, if the Company carried out exclude dividend/right (such as dividend distribution, stock delivery, cash dividend, capitalization of common reverse, etc.) or repurchased shares, the issue price and share issue amount shall be adjusted according to the relevant laws and regulations of the SSE.

Before this Transaction, the Company holds 39.22% shares of the Haihang Technology. After the completion of this Transaction, the Haihang Technology would become a wholly owned subsidiary of the Company.

Before this Transaction, the Company does not hold any share equity of the Tianyu Flight Training. After the completion of the transaction, the Tianyu Flight Training would a wholly owned subsidiary of the Company.

Before this Transaction, the Company holds 28.43% share equity in the Western Airlines. After the completion of the transaction, the Company would directly hold 38.15% equity in the Western Airlines, and indirectly hold 36.31% equity of the Western Airlines through its controlled company (the Western Holding). Therefore the Company would control 94.46% equity of the Western Airlines in total, and the Western Airlines would become a controlled subsidiary of the Company.

Before this Transaction, the Company is not the controlling shareholder of the Western Holding. After the completion of the transaction, the Company would hold 60.00% equity in the Western Holding, and the Western Holding would become the controlled subsidiary of the Company.

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

4.2 Specific plans of issuing shares to buy assets

4.2.1 Trading counterparts

The trading objects and corresponding counterparts are listed below:

| Underlying Assets | Trading Counterparts |
|--|-----------------------------------|
| 60.78% Shares of the Haihang Technology | The Haihang Aviation Group |
| 59.93% Shares of the HNA Aviation | The Haihang Aviation Group |
| 100.00% Equity of the Tianyu Flight Training | The Haihang Aviation Group |
| 29.72% Equity of the Western Airlines | The Tianjin Chuangxin Investment |
| 60.00% Equity of the Western Holding | The Haihang Southwest Headquarter |

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

4.2.2 Trading objects

The underlying assets and corresponding advance valuation and preliminary trading price of the target assets are listed below:

| Underlying Assets | Advance Valuation (In RMB 10,000 yuan) | Transaction Pricing (In RMB 10,000 yuan) |
|--|---|---|
| 60.78% Shares of the Haihang Technology | 333,681.68 | 333,681.68 |
| 59.93% Shares of the HNA Aviation | 234,481.18 | 234,481.18 |
| 100.00% Equity of the Tianyu Flight Training | 52,120.18 | 52,120.18 |
| 29.72% Equity of the Western Airlines | 246,901.94 | 246,901.94 |
| 60.00% Equity of the Western Holding | 180,619.49 | 180,619.49 |
| Total | 1,047,804.47 | 1,047,804.47 |

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

4.2.3 Issue price

The issue price of shares for assets buying shall be the higher value between the Company's audited net assets per share in last year and 90.00% of the average price of A-shares traded during previous 20 days, 60 days and 120 day before the benchmark date.

The issuing price shall be the higher one between the Company's audited net assets per share in last year and 90.00% of the average price of A-shares traded during previous 20 days, 60 days and 120 day before the benchmark date:

| Item | 20 Days | 60 Days | 120 Days |
|---|---------|---------|----------|
| Average Price (In RMB yuan per share) | 3.19 | 3.21 | 3.26 |
| 90% Average Price (In RMB yuan per share) | 2.88 | 2.89 | 2.94 |

Following is the audited net assets per share of the Company as of 31 December, 2017:

| Item | Price |
|--|-------|
| Net assets per share (In RMB yuan per share) | 3.12 |

According to above principles, the initial price of the shares to be issued is primarily confirmed at RMB 3.12 yuan per share through friendly negotiation of the trading parties. The total share amount to be issued by the Company for the purchase of assets would account for 3,358,347,663 shares.

During the period of the pricing benchmark date to the issue date, if the Company carried out exclude dividend/right (such as dividend distribution, stock delivery, cash dividend, capitalization of common reverse, etc.) or repurchased shares, the issue price and share issue amount shall be adjusted according to the relevant laws and regulations of the SSE.

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

4.2.4 Share type and par value

The type of the share to be issued for purchasing assets is the Domestic Market RMB Ordinary Shares (A Share). The share would be issued at the par value of RMB 1.00 yuan per share.

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and

Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

4.2.5 Share issue amount

The Company intends to pay the total transaction consideration by issuing shares for total amount of RMB 10,478 million yuan. The total share issue amount would be for 3,358,347,663 shares.

Following is the specific issue information:

| Underlying Assets | Trading Counterparts | Transaction Pricing (In RMB 10,000 uuan) | Issue Amount (In Share) |
|--|-----------------------------------|---|----------------------------|
| 60.78% Shares of the Haihang Technology | The Haihang Aviation Group | 333,681.68 | 1,069,492,557 |
| 59.93% Shares of the HNA Aviation | The Haihang Aviation Group | 234,481.18 | 751,542,250 |
| 100.00% Equity of the Tianyu Flight Training | The Haihang Aviation Group | 52,120.18 | 167,051,855 |
| 29.72% Equity of the Western Airlines | The Tianjin Chuangxin Investment | 246,901.94 | 791,352,367 |
| 60.00% Equity of the Western Holding | The Haihang Southwest Headquarter | 180,619.49 | 578,908,634 |
| Total | | 1,047,804.47 | 3,358,347,663 |

Note: As of the date of this proposal, the results of the underlying assets evaluation have not been issued, so the underlying assets in above table is calculated on the basis of the tentative trading price. The final issue amount shall be calculated on the basis of the results of the audited assessment of the underlying asset. The share amount in above is the integers kept in accordance with the downward rounding principle.

The final shares issue amount shall be subject to the issue amount approved by the CSRC.

This transaction constitutes a connected transaction. The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this proposal), had avoided from voting.

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.

This proposal is passed through.

4.2.6 Trading restrictions on shares to be issued

According to the regulations of the rules and laws and the Measures on Management of the Material Assets Reorganization, the shares to be issued for purchasing assets shall be locked for stock trading as follows:

A. Commitments of the Haihang Aviation Group Company Limited

The Haihang Aviation Group Company Limited hereby makes commitment on the share trading restriction as follows:

① After the completion of this Transaction, the Haihang Aviation Group Company Limited shall not transfer the 1,069,492,557 and 167,051,855 shares of the listed company acquired from the purchase of 60.78% shares of the Haihang Aviation Technology Company Limited and 100% equity of the Hainan Tianyu Flight Training Company Limited within 36 months from the completion date of the share issue.

② The Haihang Aviation Group Company Limited shall not transfer the 751,542,250 shares of the listed company acquired from the purchase of 59.93% shares of the HNA Aviation (Hong Kong) Technics Holding Co., Ltd within 36 months from the completion date of the share issue. Upon the maturity of the lock period, the trading restriction on above shares held by the Haihang Aviation Group Company Limited shall be lifted in three phases according to the proportion of 14.67%, 37.09% and 48.25%. Following is the details:

Phase I: According to the actual net profit of the SR Technics Holdco I GmbH in 2018 / 2019 and 2020 Annual Special Audit Report issued by the auditing institute, the Haihang Aviation Group Company Limited does not need to implement share compensation or has fully fulfilled its obligation to compensate shares, therefore the Haihang Aviation Group Company Limited could lift the trading restrictions on the 14.67% shares of above listed company which is the remaining shares of 110,227,925 shares after deducting compensated shares.

Phase II: According to the actual net profit of the SR Technics Holdco I GmbH in 2021 Annual Special Audit Report issued by the auditing institute, the Haihang Aviation Group Company Limited does not need to implement share compensation or has fully fulfilled its obligation to compensate shares, therefore the Haihang Aviation Group Company Limited could lift the trading restrictions on the 37.09% shares of above listed company which is the remaining shares of 278,722,896 shares after deducting compensated shares.

Phase III: According to the actual net profit of the SR Technics Holdco I GmbH in 2022 Annual Special Audit Report issued by the auditing institute, the