# HAINAN AIRLINES COMPANY LIMITED

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

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

ssuing stock (i.e. connected transaction). Following is the detail:

accuracy and completeness of the aforesaid documents.

Connected Transactions)

4.1 Generals

as this Transaction)

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

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,

Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes. This proposal is passed through.

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.

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

The board of directors voted item by item on the specific plan to purchase assets and raise supporting funds by

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

The raised fund would be used to invest in the construction of following projects: ① The Tianjin Engine

aintenance Investment Project of the Haihang Technology; 2 The Xi'an Accessory Maintenance Investment Project

## 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 at they will take both individual and joint responsibilities for the truthfulness, accuracy and completeness of the content

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.

deliberate above plan has not been convened yet.

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.

have a substantial impact on its existing production and business activities.

4. Opinion of Independent Directors

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

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

### Board of Directors

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

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 Jan. 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.

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.

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 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 24<sup>th</sup> 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 ex 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 Director Hainan Airlines Holding Company Limited

June 9, 2018

#### 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 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 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

1. Generals of the Corporate Bond Issue

On May 19 of 2017, the 5<sup>th</sup> 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 2.Reasons for Termination of Bond Issue

3.Influences

Currently, the Company's operation is normal. The termination of the convertible corporate bond issue would not

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

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.

Company

## Hainan Airlines Holding Company Limited June 9, 2018

that there is no significant omission, fictitious description or serious misleading of information in this announcement at they will take both individual and joint responsibilities for the truthfulness, accuracy and completeness of the content

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

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

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: (T) 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 Cihang Charity Funds (hereinafter referred to as the Cihang 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 supp funds as a prerequisite and the success or failure of raising supporting funds would not affect the implementation 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

Before this Transaction, the Company holds 39.22% shares of the Haihang Technology. After the completion of this Before this Transaction, the Company holes of the Analysis of the Handary feedback of the Company. Before this Transaction, the Company does not hold any share of the HNA Aviation. After the completion of this

Transaction, it would hold 59.93% shares of the HNA Aviation, and the HNA Aviation would become a controlled subsidiary of the Company.

Before this Transaction, the Company does not hold any share equity of the Tianyu Flight Training. After the

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 58.15% 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 of the Western Airlines through its controlled company (the Western Holding). 94.46% equity of the Western Airlines in total, and the Western Airlines would become a controlled subsidiary of the

Before this Transaction, the Company is not the controlling shareholder of the Western Holding. After the mpletion 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.

4.1.2 Supporting funds to be raised in this issue

The Company plans to raise the supporting funds from no more than 10 specific investors (including the Temasek Fullerton Alpha Pte Ltd, hereinafter referred to as the Temasek Fullerton) in the method of inquiry for private issue of A share. The pricing benchmark date is the first day of the issue period, and the total amount of supporting funds to be raised would account for no more than RMB 7,033,802,700 yuan which shall not exceed 100.00% of the trading price of the asset to be purchased (which does not include the corresponding trading price of the underlying assets bought by the trading counterpart in the method of capital increase in cash within six months prior to the stock trading suspension

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

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

This proposal is passed through.

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

Following is the specific issue information:

÷ 1			
Underlying Assets	Trading Counterparts	Transaction Pricing (In RMB 10,000 yuan)	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
Tota	1	1,047,804.47	3,358,347,663

Note: As of the date of this board meeting, 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 Annul 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 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 48.25% shares of above listed company which is the remaining shares of 362,591,429 shares after deducting compensated shares.

If it's necessary to postpone the performance commitment period or trading lock period according to the requirements of the CSRC, the trading lock period of the shares in Phase III shall be postpool correspondingly to the maturity of final performance commitments period, and the Special Audit Report and Impairment Test Report issued or completion of transaction lock period

3 Upon the completion of this Transaction, the capital contribution of the Tianjin Chuangxin Investment Partnership (LP) held by the Haihang Aviation Group Company Limited shall not be transferred within 36 months from the completion date of the share issue

(4) If the closing price of a listed company's shares for 20 consecutive trading days is below the issue price within 6 months after the completion of the transaction, or the closing price at the end of 6 months after the completion of the transaction is below the issue price, the lock-in period of the listed company's shares held by the Haihang Aviation Group Company Limited shall automatically extend for at least 6 months.

5 If the CSRC or the SSE has different opinions on above trading restriction arrangement, the Haihang Aviation Group Company Limited agrees to amend and enforce the arrangement in accordance with the advice of the CSRC or the SSE

(6) The reduction of shareholdings in the listed companies implemented by the Haihang Aviation Group Company Limited after the expiry of the lock period shall also be subject to the relevant provisions of the Company Law, the Securities Law and other laws and regulations of the Shanghai Stock Exchange and the Articles of Association of listed

) This letter of commitment will take effect from the date of signature. The Haihang Aviation Group Company Limited commits to strictly implement the commitments contained in this letter of commitment, and shall bear the Corresponding legal responsibility of breach of the relevant commitments and thereby causing losses to others. B. Commitments of the Tianjin Chuangxin Investment Partnership (LP)

The Tianjin Chuangxin Investment Partnership (LP) hereby makes commitment on the share trading restriction as follows

① After the completion of this Transaction, the Tianjin Chuangxin Investment Partnership (LP) shall not transfer the 791,352,367 shares of the listed company acquired from the purchase of 29.72% shares of the Western Airlines Company Limited within 36 months from the completion date of the share issue.

(2) If the closing price of a listed company's shares for 20 consecutive trading days is below the issue price within 6 months after the completion of the transaction, or the closing price at the end of 6 months after the completion of the transaction is below the issue price, the lock-in period of the listed company's shares held by the Tianjin Chuangxin Investment Partnership (LP) shall automatically extend for at least 6 months.

3 If the CSRC or the SSE has different opinions on above trading restriction arrangement, the Tianjin Chuangxin investment Partnership (LP) agrees to amend and enforce the arrangement in accordance with the advice of the CSRC or the SSE

4 The reduction of shareholdings in the listed companies implemented by the Tianjin Chuangxin Investment Partnership (LP) after the expiry of the lock period shall also be subject to the relevant provisions of the Company Law, the Securities Law and other laws and regulations of the Shanghai Stock Exchange and the Articles of Association of listed companies

(5) This letter of commitment will take effect from the date of signature. The Tianiin Chuangxin Investment this feet of commits of the second se

C. Commitments of the HNA Group (Southwest Headquarter) Company Limited The HNA Group (Southwest Headquarter) Company Limited hereby makes commitment on the share trading restriction as follows:

① After the completion of this Transaction, the HNA Group (Southwest Headquarter) Company Limited shall not transfer the 578,908,634 shares of the listed company acquired from the purchase of 60.00% shares of the Chongqing Western Airlines Holding Company Limited within 36 months from the completion date of the share issue.

(2) If the closing price of a listed company's shares for 20 consecutive trading days is below the issue price within

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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

GENERAL WARNING OF RISKS ASSOCIATED WITH CONNECTED TRANSACTIONS

HAINAN AIRLINES HOLDING COMPANY LIMITED

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 openning 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 overy 5 trading days according to regulations of related administrative rules and laws. On June 8 of 2018, the 24<sup>th</sup> 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 Aviation Technology Company Limited and 59.93% shares of the HNA Aviation (Hong Kong) Technics Holding Co., Ltd and 100% equity of the Hainan Tianyu Fjiph Training Company Limited held by the Haihang Aviation Group Company Limited; 29.72% equity of the Western Airlines Company Limited held by the Tianiin Chuangxin Investment Partnership (LP): 60% equity of the Chongoing Western the 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 would raised the supporting funds from the main to spectric investors intogen private issue of Assiates 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 Relating 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:

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 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 bard 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

) 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

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.

d during the stock trad period.) The ma ed to 20.00% of the total share capital of the Company prior to this issue.

In this Transaction, the share issue for purchasing assets would not take the successful implementation of sing 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.

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 yu 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

nthe after the c etion of the tr on, or the close ng price at the end of 6 m transaction is below the issue price, the lock-in period of the listed company's shares held by the Tianjin Chuangxin Investment Partnership (LP) shall automatically extend for at least 6 months.

3 If the CSRC or the SSE has different opinions on above trading restriction arrangement, the HNA Group (Southwest Headquarter) Company Limited agrees to amend and enforce the arrangement in accordance with the advice of the CSRC or the SSE

(1) The reduction of shareholdings in the listed companies implemented by the THNA Group (Southwest Headquarter) Company Limited after the expiry of the lock period shall also be subject to the relevant proisions of the Company Law, the Securities Law and other laws and regulations of the Shanghai Stock Exchange and the Articles of (a) Association of listed companies. (a) This letter of commitment will take effect from the date of signature. The HNA Group (Southwest Headquarter)

Company Limited commits to strictly implement the commitments contained in this letter of commitment, and shall bear the corresponding legal responsibility for breach of the relevant commitments and thereby causing losses to others. D. Commitments of the Tianjin Yanshan Investment Management Company Limited

The Tianjin Yanshan Investment Management Company Limited hereby makes commitment on the share trading restriction over the contribution shares in the Tianjin Chuangxin Investment Partnership (LP) as follows:

(1) After the completion of this Transaction, the Tianjin Yanshan Investment Mana ent Company Limited shall not transfer the contribution shares in the Tianjin Chuangxin Investment Partnership (LP) within 36 months from the completion date of the share issue.

2 If the closing price of a listed company's shares for 20 consecutive trading days is below the issue price within 6 months after the completion of the transaction, or the closing price at the end of 6 months after the completion of the transaction is below the issue price, the lock-in period of contribution shares in the Tianjin Chuangxin Investm Partnership (LP) shall automatically extend for at least 6 months.

③ If the CSRC or the SSE has different opinions on above trading restriction arrangement, the Tianjin Yanshan vestment Management Company Limited agrees to amend and enforce the arrangement in accordance with the advice of the CSRC or the SSE.

(1) This letter of commitment will take effect from the date of signature. The Tianjin Yanshan Investment Management Company Limited commits to strictly implement the commitments contained in this letter of commit and shall bear the corresponding legal responsibility for breach of the relevant commitments and thereby causing losses to others.

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.

4.2.7 Profits and losses during the transition period

After consultation with all relevant parties, the profits generated by the trading objects in the transition period shall be enjoyed by the Company.

The losses of the Haihang Technology, the HNA Aviation, the Western Airlines and the Western Holding losses in the transition period: By the consolidated calibre, if the realized net profit attributable to the shareholders of the parent company after non-recurring gains and losses is lower than the promised net profit for the period under the Compensation Agreement of Profit Forecast, the difference shall be compensated by the trading counterpart subject to the Compensation Agreement of Profit Forecast signed.

The losses of the Tianyu Flight Training in the transition period shall be borne by the Haihang Aviation Group

In the transition period, the trading counterpart shall not set up any third party rights without the written consent of the Company in respect of the underlying assets (such as mortgage or pledge), and shall exercise the rights of shareholders to guarantee the underlying assets from the activities of assets disposal or external guarantee or increase of major debt which is not related to normal production and operation.

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.

4.2.8 Accumulated undistributed profit

The accumulated undistributed profit of the Company prior to this issue shall be co-shared by both new and old shareholders of the Company after the completion of the share issue

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.

4.2.9 Validity of the resolutions on share issue

The resolutions on share issue shall be effective for 12 months from the approval of the general meeting of shareholders of the Company. If the Company acquired the approving documents of the CSRC on this Transaction within such period, such authorization will automatically be extended to the completion date of this Transaction.

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.
- 4.3 Specific schemes for raising supporting funds

4.3.1 Share type and par value

The type of the share to be issued for raising supporting fund is RMB Ordinary Shares (A Share). The share would be issued at the par value of RMB 1.00 yuan per share

The related directors, Bai Qifa, Wang Fei, Sun Jianfeng and Cao Fenggang (who are related to this This transaction onstitutes a connected transaction

- Voting result: 3 affirmative votes, 0 dissenting vote, 0 abstention vote and 4 avoiding votes.
- This proposal is passed through.

This proposal is passed through.

Voting res

4.3.2 Pricing of shares to be issued and pricing basis

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

The private issue of A-share to raise the supporting fund would take the method of inquiry. The pricing benchmark date shall be the initial issue date. According to the regulations of the Article 38 of the Measures for the Administration of Securities Issue of Listed Companies, the price of the privately issued A-share shall not be lower than 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 before the benchmark date. The specific issue price shall be approved by the CSRC first. Then the board of directors of the Company would

negotiate and confirm it with the independent financial consultant (lead underwriter) for this issue in accordance with

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

the authorization of the shareholders' general meeting and regulations of the relevant laws and rules and the inquiry.

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