

HAINAN AIRLINES COMPANY LIMITED

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

Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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

Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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 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
Total		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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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) Techniques 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 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 postponed 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 companies.
⑦ 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 for 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 HNA Group (Southwest Headquarter) Company Limited 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 THNA Group (Southwest Headquarter) 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 companies.
⑤ 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 Management 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 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 Yanshan Investment Management Company Limited agrees to amend and enforce the arrangement in accordance with the advice of the CSRC or the SSE.
④ 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 commitment, and shall bear the corresponding legal responsibility for breach of the relevant commitments and thereby causing losses to others.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.2 Pricing of shares to be issued and pricing basis
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 the authorization of the shareholders' general meeting and regulations of the relevant laws and rules and the inquiry.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.3 Issue amount
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 assets to be purchased. The maximum amount of shares to be issued shall be limited to 20.00% of the total share capital of the Company prior to this issue.
The specific issue amount shall be approved by the CSRC first. Then the board of directors of the Company would negotiate and confirm it with the sponsor institution for this issue in accordance with the authorization of the shareholders' general meeting and issue price confirmed subject to the inquiry.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.4 Subscription targets
The Company plans to raise the supporting funds from no more than 10 specific investors (including the Temasek Fullerton Alpha Pte Ltd) in the method of inquiry for private issue of A-share. The total amount of supporting funds to be raised would account for no more than RMB 7,033,802,700 yuan. Such specific investors include domestic industry investors, securities investment fund management companies, securities companies, trust and investment companies, financial companies, insurance institutional investors, qualified foreign institutional investors, natural person investors and other legitimate investors, etc.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.5 Locking period of the shares
The shares for raising supporting funds would be issued in the method of inquiry. The shares subscribed by the Temasek Fullerton Alpha Pte Ltd shall not be transferred within 36 months from the completion date of the issue, and shares subscribed by other subscription target shall not be transferred within 12 months from the completion date of the issue. The shares with trading lock-in restriction shall be executed in accordance with the relevant regulations of the CSRC and the SSE upon the expiry of the lock-in restriction.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.6 Use of the raised supporting fund
The raised fund would be used to invest in the construction of following projects of the object companies and payment of commissions and expenses and taxes of the intermediary institutions for this Transaction. Following is the major construction 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.

Following is the specific investment amount and estimated use of raised supporting fund:
Monetary unit: In RMB 10,000 yuan

No.	Investment Projects	Estimated Investment Amount	Maximum Amount of Proposed Use of Raised Capital
1	The Tianjin Engine Maintenance Investment Project of the Haihang Technology	150,646.69	141,111.28
2	The Xi'an Accessory Maintenance Investment Project of the Haihang Technology	67,181.30	63,548.40
3	The Chongqing Tianyu Flight Training Center Project	288,086.74	165,790.01
4	The Shaanxi Chang'an Tianyu Flight Training Center Project	270,099.53	111,957.45
5	The Flight Training Simulator Purchase Project of the Tianyu Flight (Haikou) Training Center Project	45,003.90	45,003.90
6	The Chongqing Jiangbei Airport Production Base (Phase II) Construction Project of the Western Airlines	27,490.80	22,280.73
7	To buy 4 aircraft for the Western Airlines	153,688.50	153,688.50
	Total	1,003,007.46	703,380.27

No.	Investment Projects	Estimated Investment Amount	Maximum Amount of Proposed Use of Raised Capital
1	The Tianjin Engine Maintenance Investment Project of the Haihang Technology	150,646.69	141,111.28
2	The Xi'an Accessory Maintenance Investment Project of the Haihang Technology	67,181.30	63,548.40
3	The Chongqing Tianyu Flight Training Center Project	288,086.74	165,790.01
4	The Shaanxi Chang'an Tianyu Flight Training Center Project	270,099.53	111,957.45
5	The Flight Training Simulator Purchase Project of the Tianyu Flight (Haikou) Training Center Project	45,003.90	45,003.90
6	The Chongqing Jiangbei Airport Production Base (Phase II) Construction Project of the Western Airlines	27,490.80	22,280.73
7	To buy 4 aircraft for the Western Airlines	153,688.50	153,688.50
	Total	1,003,007.46	703,380.27

If the final total amount of funds raised is less than the total amount of project investment, the Company would help to settle the difference by using its own funds or other financing methods. If the Company invested its own funds into above projects in advance, it shall replace the advance investment when the raised funds are in place.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.7 Raising supporting funds is not the precondition of the share issue for assets purchasing
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.8 Accumulated undistributed profits
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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
4.3.9 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.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
5. The Report on Issuing Stock to Purchase Assets which Constitutes the Material Assets Reorganization and Connected Transaction
In accordance with the relevant provisions of the Company Law and the Securities Law and the Measures for the Administration of Material Assets Reorganization of Listed Companies, this Transaction constitutes a material asset reorganization and connected transaction.
5.1 This transaction constitutes a material asset reorganization:
Following is the comparison table between the total non-audited assets and owner's equity belonging to the parent company and revenue and trading price of this Transaction of the underlying companies in 2017 and the non-audited financial data of the Company:

Item	The Company	The Haihang Technology	The HNA Aviation	The Tianyu Flight Training	The Western Airlines	The Western Holding	Total of the Underlying Companies	Calculation Basis	Percentage	Whether or not Achieved 50%
Total Assets (In 100 million yuan)	1,973.48	68.62	84.25	12.43	111.13	111.18	387.61	387.61	19.64%	No
Owner's Equity Belonging to the Parent Company (In 100 million yuan)	576.17	38.11	39.12	4.68	48.13	17.42	147.46	147.46	25.59%	No
Revenue (In 100 million yuan)	599.04	35.87	80.74	4.26	50.38	50.38	221.63	221.63	37.00%	No

Note: The calculation of the total assets and the owner's equity belonging to the parent company is based on the higher one between the corresponding index of each underlying company and the trading price of each underlying asset.
According to the Article 14 of the Measures for the Administration of Material Assets Reorganization, "(4) If a listed company buys or sells the same or related assets continuously within 12 months, the corresponding amount shall be calculated separately on the basis of its accumulated number;" and "The underlying assets could be identified as the same or related assets, if the underlying assets are under the ownership or control of the same trading party, or within the same or similar business scope, or under other circumstances as determined by the CSRC."
Following is the major assets (under the control of same trading counterpart or within the same or similar business scope) acquired by the Company in the methods of establishment and capital increase and purchasing in the last 12 months:

Invested Companies	Trading method	Deliberation Date	Amount (In RMB 10,000 yuan)	Trading Equity
The Yunnan Xiangpeng Airlines Co., Ltd.	Purchasing	Shareholders' general meeting on Dec. 29 of 2017	187,723.70	20.14%
The Haihang Tonghang Investment Co., Ltd.	Establishment	Shareholders' general meeting on Dec. 13 of 2017	450,000.00	15.00%
The Haining Jinglv Equity Investment Fund Partnership (LP)	Establishment	Shareholders' general meeting on Dec. 13 of 2017	149,700.00	29.94%
The Haihang Import&Export Co., Ltd.	Capital increase	Shareholders' general meeting on Dec. 13 of 2017	75,000.00	No change

Invested Companies	Trading method	Deliberation Date	Amount (In RMB 10,000 yuan)	Trading Equity
The Chang'an Airlines Co., Ltd.	Purchasing	Shareholders' general meeting on Oct. 30 of 2017	96,927.18	11.91%
The Chang'an Airlines Co., Ltd.	Purchasing	Shareholders' general meeting on Oct. 30 of 2017	209,290.18	25.71%
The Shanxi Airlines Co., Ltd.	Purchasing	Shareholders' general meeting on Oct. 30 of 2017	122,850.84	49.39%
The China Xinhua Aviation Group Co., Ltd.	Purchasing	Meeting of the board of directors on Oct. 13 of 2017	135,461.07	10.25%
The Shenzhen Qianhai Culture Tourism Fund (LP)	Purchasing	Shareholders' general meeting on Sept. 5 of 2017	242,797.30	58.75%
Total			1,669,750.27	

The higher value between the total amount of the owner's equity belonging to the parent company of all underlying companies and the total amount of the transaction consideration of all underlying companies accounts for RMB 14,746 million yuan. The total amount of above transaction accounts for RMB 16,698 million yuan. Therefore the sum value of above two value accounts for RMB 31,444 million yuan, which takes 54.57% of the owner's equity belonging to the parent company of the Company and meets the provisions of Article 12 of the Measures for the Administration of Material Assets Reorganization.
In conclusion, this Transaction constitutes a material assets reorganization according to the provisions of Article 12 and Article 14 of the Measures for the Administration of Material Assets Reorganization.
5.2 This transaction constitutes a connected transaction
In this Transaction, the trading counterpart, the Haihang Aviation Group, the Tianjin Chuangxin Investment and the Haihang Southwest Headquarters are all companies under the control of the HNA Group Company Limited (the related party of the company), therefore this transaction constitutes a connected transaction.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
6. The Report on Appointing Intermediary Institutions for the Stock Issue
The board of supervisors of the Company agreed to appoint the Haitong Securities Co., Ltd. as the independent financial adviser, and the PricewaterhouseCoopers (Special General Partnership) as special audit institution, the Beijing Zhongqihua Asset Appraisal Agency as special appraisal agency, and the Guohao (Shanghai) Firm as special legal adviser, so to assist in handling the related matters of this Transaction.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
7. The Report on Stock Issue for Purchasing Assets and Raising Supporting Fund (i.e. Connected Transaction) and its Summary
The board of supervisors agreed with the Report on Stock Issue for Purchasing Assets and Raising Supporting Fund (i.e. Connected Transaction) and its Summary.
For details, please refer to the Pre-plan for Issue Shares to Purchase Assets and Raise Supporting Fund (i.e. Connected Transaction) and its Summary disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
8. The Report on Signing the Conditional Entry into Force Agreement of Issuing Shares to Purchase Assets
The board of supervisors agreed that the Company would sign the conditional entry into force agreement of issuing shares to purchase assets with the Haihang Aviation Group, the Haihang Southwest Headquarter and the Tianjin Chuangxin Investment respectively.
For details, please refer to the Agreement of Issuing Shares to Purchase Assets disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
9. The Report on Signing the Conditional Entry into Force Agreement on Profit Forecast Compensation
The board of directors agreed that the Company would sign the Conditional Entry into Force Agreement on Profit Forecast Compensation with the Haihang Aviation Group, the Haihang Southwest Headquarter and the Tianjin Chuangxin Investment respectively.
For details, please refer to the profit forecast compensation agreement disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
10. The Report on Risk Warning Notice of Diluted Immediate Return and Corresponding Measures for Return Filling
Since the audit and evaluation works relating to this Transaction have not been completed, it's impossible to make an accurate quantitative analysis on the consolidated financial situation and profitability of the Company after the completion of this Transaction. After the completion of this transaction, the Company's earnings per share in current period may be diluted without taking into account the follow-up synergistic effect of the consolidation. The Company has formulated measures to fill the diluted current earnings per share through improving integration performance and perfecting the internal control system to provide support for the future development strategy. However, there's still risks of failing to lift the earnings per share in short term after the completion of this Transaction if the Company failed to achieve its development strategic objectives or realized but not expected. After this transaction, the company still exists because its development strategic objectives have not been achieved or have not met expectations, thus resulting in earnings per share Diluted risks that cannot be filled in the short term.
In order to deal with the risk that earnings per share of the Company may be diluted in short term after this Transaction, the Company formulated the measures for filling the earnings per share after the completion of this Transaction. The Company and its all directors, supervisors, senior managements, and the HNA Group, the Changiang Leasing Company Limited, the Grand China Air, the Haihang Aviation Group, the Tianjin Chuangxin Investment and the HNA Group Southwest Headquarter have issued the commitments on filling the diluted earnings per share of this issue.
The Company would complete the audit and evaluation work after the issue of the pre-plan of this Transaction as soon as possible, and convene the meeting of the board of supervisors to make supplementary resolutions on the relevant matters. The report on this Transaction would give detailed analysis on specific effect of this Transaction on the financial situation and profitability of the Company.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
11. The Report on Issue Shares for Assets Purchasing Conforming to the Article 4 of the Regulations on Certain Issues for Standardizing the Material Assets Reorganization of Listed Companies
The board of supervisors carried out careful examination according to the related regulations of the Company Law, the Securities Law, the Measures for Administration of Material Assets Reorganization of Listed Companies and the Regulations on Certain Issues for Standardizing the Material Assets Reorganization of Listed Companies and considered that this Transaction conforms to the provisions of the Article 4 of the Regulations on Certain Issues for Standardizing the Material Assets Reorganization of Listed Companies.
For details, please refer to the Specifications on the Share Issue Conforming to the Provisions of the Article 4 of the Regulations on Certain Issues for Standardizing the Material Assets Reorganization of Listed Companies disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
12. The Report on Issue Shares for Assets Purchasing and Supporting Fund Raising Conforming to the Article 11 of the Measures for Administration of Material Assets Reorganization of Listed Companies
The board of supervisors carried out careful examination according to the related regulations of the Company Law, the Securities Law and the Measures for Administration of Material Assets Reorganization of Listed and considered that this Transaction conforms to the provisions of the Article 11 of the Measures for Administration of Material Assets Reorganization of Listed Companies.
For details, please refer to the Specifications on the Share Issue Conforming to the Provisions of the Article 11 of the Measures for Administration of Material Assets Reorganization of Listed Companies disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
13. The Report on Issue Shares for Assets Purchasing and Supporting Fund Raising not Constituting a Reorganization Listing as the Provisions of the Article 13 of the Measures for Administration of Material Assets Reorganization of Listed Companies
The board of supervisors carried out careful examination according to the related regulations of the Company Law, the Securities Law and the Measures for Administration of Material Assets Reorganization of Listed and considered that this Transaction does not constitute a reorganization listing as regulated by the provisions of the Article 13 of the Measures for Administration of Material Assets Reorganization of Listed Companies.
For details, please refer to the Specifications on the Share Issue not Constituting a Reorganization Listing as the Provisions of the Article 13 of the Measures for Administration of Material Assets Reorganization of Listed Companies disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
14. The Report on Issue Shares for Assets Purchasing Conforming to the Article 43 of the Measures for Administration of Material Assets Reorganization of Listed Companies
The board of supervisors carried out careful examination according to the related regulations of the Company Law, the Securities Law and the Measures for Administration of Material Assets Reorganization of Listed and considered that this Transaction conforms to the provisions of the Article 43 of the Measures for Administration of Material Assets Reorganization of Listed Companies.
For details, please refer to the Specifications on the Share Issue Conforming to the Provisions of the Article 43 of the Measures for Administration of Material Assets Reorganization of Listed Companies disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
15. The Report on the Specifications to the Stock Price Fluctuation not Reaching the Relevant Standards of the Article 5 of the Notice on Standardizing the Information Disclosure of Listed Companies and Behavior of Relevant Parties (Zheng Jian Gong Si Zi [2007] No. 128)
The board of supervisors carried out examination and considered that the cumulative prices decline of the Company's A-share and B-share did not reach 20% in 20 trading days prior to this stock trading suspension, which is lower than the relevant standards of the Article 5 of the Document No. 128.
For details, please refer to the Specifications to the Stock Price Fluctuation not Reaching the Relevant Standards of the Article 5 of the Notice on Standardizing the Information Disclosure of Listed Companies and Behavior of Relevant Parties (Zheng Jian Gong Si Zi [2007] No. 128) disclosed on the same day with this announcement.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.
16. The Report on the Relevant Entity Being Non-existent of Any Situation of Not Participating in Any Material Assets Reorganization of Any Listed Company as the Provisions of the Article 13 of the Interim Provisions on Strengthening the Supervision of Abnormal Transactions Related to Material Assets Reorganization of Listed Companies
The board of supervisors agreed that the Company would sign the conditional entry into force Stock Subscription Agreement with the Temasek Fullerton Alpha Pte Ltd. The Temasek Fullerton Alpha Pte Ltd would participate the private issue of A-share and subscribe share for amount of RMB 700,000,000 yuan. If the total amount of raised capital is less than RMB 7,000,000,000 yuan, the Temasek Fullerton Alpha Pte Ltd would adjust its subscription amount to 10% of total amount of the actual raised capital correspondingly.
Voting result: 5 affirmative votes, 0 dissenting vote and 0 abstention vote.
This proposal is passed through.
This proposal shall be submitted to the general meeting for approval.