

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.**

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**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.**

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON, ELECTRONICALLY OR OTHERWISE, AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY US ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to Haikou Meilan International Airport Investment Limited (the “**Issuer**”), Haikou Meilan International Airport Company Limited (the “**Guarantor**”) and Société Générale as sole global coordinator, joint lead manager and joint bookrunner and ABCI Capital Limited and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch as joint lead managers and joint bookrunners (collectively the “**Joint Lead Managers**”) that you and any customers you represent are not, and the electronic mail address that you gave the Joint Lead Managers to which this e-mail has been delivered is not, located in the United States and that you consent to delivery of such Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached document is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. You are reminded that the information in the attached Offering Circular is not complete and may be changed.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents (each as defined in the attached Offering Circular) to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of them is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents, nor any person who controls any of them, nor their respective directors, officers, employees, representatives nor agents, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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**Actions that you may not take:** If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

# HAIKOU MEILAN INTERNATIONAL AIRPORT INVESTMENT LIMITED

(incorporated with limited liability in the British Virgin Islands)

## CNY300,000,000 7.25 PER CENT. GUARANTEED NOTES DUE 2018 TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE CNY600,000,000 7.25 PER CENT. GUARANTEED NOTES DUE 2018 ISSUED ON 16 JUNE 2015 UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY



## HAIKOU MEILAN INTERNATIONAL AIRPORT COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability)

**ISSUE PRICE: 100.00 PER CENT.**

**plus an amount corresponding to accrued interest from,  
and including, 16 June 2015 to, but excluding, 3 July 2015**

The 7.25 per cent. notes due 2018 (the "New Notes") will be issued in the aggregate principal amount of CNY300,000,000 by Haikou Meilan International Airport Investment Limited (the "Issuer"). The New Notes have the same terms and conditions as the CNY600,000,000 7.25 per cent. guaranteed notes due 2018 of the Issuer, which were issued on 16 June 2015 referred to in the offering circular dated 9 June 2015 (the "Existing Notes", and together with the New Notes, the "Notes"), in all respects except for the issue date and issue price and, will be consolidated and form a single series with the Existing Notes and vote together as one series on all matters with respect to the Notes. The Notes are in registered form in the denomination of CNY1,000,000 each and integral multiples of CNY10,000 in excess thereof. The Notes will be unconditionally and irrevocably guaranteed (the "Guarantee of the Notes") by Haikou Meilan International Airport Company Limited (the "Guarantor"). The Issuer is a direct, wholly-owned subsidiary of the Guarantor.

The Notes will bear interest from 16 June 2015 at the rate of 7.25 per cent. per annum. Interest on the Notes is payable semi-annually in arrears on the date falling on or nearest to 18 June and 18 December in each year, commencing with the first Interest Payment Date (as defined in the Terms and Conditions of the Notes (the "Terms and Conditions of the Notes")) falling on or nearest to 18 December 2015. Payments on the Notes will be made without withholding or deduction for taxes of the PRC or the British Virgin Islands to the extent described in "Terms and Conditions of the Notes — Taxation".

The Notes will constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Guarantee of the Notes will constitute direct, general, unsubordinated and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Guarantor will enter into a deed of guarantee (the "Deed of Guarantee") on or around 3 July 2015 (the "New Issue Date") which supplements the deed of guarantee dated 16 June 2015. The Guarantor will be required to file or cause to be filed with the Hainan Branch of the State Administration of Foreign Exchange ("SAFE") the Deed of Guarantee within 15 PRC Business Days (as defined in the Terms and Conditions of the Notes) after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees 《跨境擔保外匯管理規定》 promulgated by SAFE on 12 May 2014 and the Guidelines for Implementing the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee 《跨境擔保外匯管理操作指引》 promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014. The Guarantor intends to complete the registration of the Deed of Guarantee with SAFE as soon as practicable and in any event before the Registration Deadline (being 90 PRC Business Days after 16 June 2015).

Unless previously redeemed, or purchased and cancelled as provided herein, the Issuer will redeem each Note at its principal amount in Renminbi on the Interest Payment Date falling on, or nearest to, 18 June 2018 (the "Maturity Date"). At any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (as defined in the Terms and Conditions of the Notes) (which notice shall be irrevocable), the Issuer may redeem the Notes in whole, but not in part, at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that the Issuer or the Guarantor has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions of the Notes) as a result of any change in, or amendment to, the laws or regulations of the PRC or the British Virgin Islands (in the case of the Issuer) or the laws or regulations of the PRC (in the case of the Guarantor) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) and such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it. At any time following the occurrence of a Change of Control or No Registration Event (as the case may be) (each as defined in the Terms and Conditions of the Notes), each Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. (in the case of a Change of Control) or 100 per cent. (in the case of a No Registration Event) of their principal amount, together with accrued interest to such Put Settlement Date. See "Terms and Conditions of the Notes — Redemption and Purchase".

Approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Approval-in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries, their respective associated companies (if any), the Deed of Guarantee or the Notes.

Investing in the Notes involves certain risks. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in the Offering Circular and the merits and risks of investing in the Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Notes. Investors should not purchase the Notes unless they understand and are able to bear risks associated with the Notes. See "Risk Factors" beginning on page 12 for a description of certain factors to be considered in connection with an investment in the Notes.

The Notes and the Guarantee of the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and, subject to certain exceptions, may not be offered or sold within the United States and are only being offered and sold outside the United States in compliance with Regulation S under the Securities Act ("Regulation S"). For a description of these and certain restrictions on offers and sales of the Notes and the Guarantee of the Notes and the distribution of this Offering Circular, see "Subscription and Sale".

The Notes have not been rated.

The Notes, will be represented by beneficial interests in a global note certificate (the "Global Note Certificate") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the New Issue Date with, a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream"). The original global note certificate which represents the principal amount of the Existing Notes will be withdrawn from Euroclear and Clearstream and cancelled at the same time as the Global Note Certificate is deposited with the common depository. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for the Notes will not be issued in exchange for interests in the Global Note Certificate.

*Sole Global Coordinator*

**Société Générale Corporate & Investment Banking**

*Joint Lead Managers and Joint Bookrunners*

**Société Générale  
Corporate &  
Investment Banking**

**ABC International**

**Shanghai Pudong  
Development Bank Co., Ltd.,  
Hong Kong Branch**

Offering Circular dated 26 June 2015

## IMPORTANT NOTICE

Each of the Issuer and the Guarantor, having made due enquiries, accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor, the Guarantor and its subsidiaries and associated companies (taken as a whole) (collectively, the “**Group**”), the New Notes and the Guarantee of the New Notes which is material in the context of, the issue, offering, sale or distribution of the New Notes (including all information which, according to the particular nature of the Issuer, the Guarantor and of the New Notes and the Guarantee of the New Notes is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Group and of the rights attaching to the New Notes and the Guarantee of the New Notes), (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) the statements of fact contained in this Offering Circular are in every material respect true and accurate and not misleading and there are no other facts in relation to the Issuer, the Guarantor, the Group, the New Notes and the Guarantee of the New Notes the omission of which would in the context of the issue of the New Notes make any statement in this Offering Circular, misleading, (iv) all descriptions of contracts or other material documents described in this Offering Circular are accurate descriptions in all material respects and fairly summarise the contents of such contracts or documents, (v) the statements of intention, opinion, belief or expectation contained in this Offering Circular are honestly and reasonably made or held and have been reached after considering all relevant circumstances, and (vi) all reasonable enquiries have been and will be made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such statements. Where information contained in this Offering Circular includes extracts from summaries of information and data from various published and private sources, the Issuer and the Guarantor accept responsibility for accurately reproducing such summaries and data only.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the New Notes described in this Offering Circular. The distribution of this Offering Circular and the offering of the New Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, Société Générale, ABCI Capital Limited and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (together, the “**Joint Lead Managers**”), the Trustee and the Agents (as defined in the “**Terms and Conditions of the New Notes**”) to inform themselves about and to observe any such restrictions. None of the Issuer, the Guarantor and the Joint Lead Managers represents that this Offering Circular may be lawfully distributed, or that the New Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No action is being taken to permit a public offering of the New Notes or the possession or distribution of this Offering Circular or any offering or publicity material relating to the New Notes in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the New Notes and the Guarantor giving the Guarantee of the New Notes and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the New Notes and the distribution of this Offering Circular, see “*Subscription and Sale*”. By purchasing the New Notes, investors represent and agree to all of those provisions contained in that section of this Offering Circular.

No person has been or is authorised in connection with the issue, offer or sale of the New Notes to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the New Notes or the Guarantee of the New Notes other than as contained herein and if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, any Joint Lead Manager, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the New Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, any Joint Lead Manager, the Trustee or the Agents or any

of their respective affiliates, officers, employees, directors, agents or advisors to subscribe for or purchase, any of the New Notes and, may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer and the Guarantor solely for use in connection with the proposed offering of the New Notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the New Notes. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer, the Guarantor and other sources identified in this Offering Circular and none of the Issuer and the Guarantor has authorised its use for any other purpose. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the New Notes offered by this Offering Circular is prohibited. Each person into whose possession this Offering Circular comes, by accepting delivery of this Offering Circular, agrees to the foregoing.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the New Notes or the Guarantee of the New Notes and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors. The Joint Lead Managers, the Trustee and the Agents and their respective affiliates, officers, employees, directors, agents and advisors have not independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Guarantor, the Group, the issue and offering of the New Notes or the giving of the Guarantee of the New Notes. Each of the Joint Lead Managers, the Trustee, the Agents and their respective affiliates, officers, employees, directors, agents and advisors accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors undertakes to review the financial condition or affairs of the Issuer or the Guarantor for so long as the New Notes remain outstanding nor to advise any investor or potential investor of the New Notes of any information coming to the attention of any of the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Guarantor, the Group, the Joint Lead Managers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them) that any recipient of this Offering Circular should purchase the New Notes. Each potential purchaser of the New Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the New Notes should be based upon such investigations with its own tax, legal and business advisors as it deems necessary.

Any of the Joint Lead Managers and their respective affiliates may purchase the New Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the New Notes and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the New Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the New Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the New Notes). Furthermore, investors in the New Notes may include entities affiliated with the Guarantor.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

**IN CONNECTION WITH THE ISSUE OF THE NEW NOTES, SOCIÉTÉ GÉNÉRALE AS STABILISING MANAGER (THE “STABILISING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL, BUT IN SO DOING, THE STABILISING MANAGER SHALL ACT AS PRINCIPAL AND NOT AS AGENT OF THE ISSUER OR THE GUARANTOR. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER ISSUE OF THE NOTES.**

Listing of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor or the New Notes. In making an investment decision, investors must rely on their own examination of the Issuer, the Guarantor and the terms of the offering of the New Notes, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the New Notes. The Issuer, the Guarantor, the Joint Lead Managers, the Trustee and the Agents and their respective affiliates, officers, employees, directors, agents or advisors are not making any representation to any purchaser of the New Notes regarding the legality of any investment in the New Notes by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, officers, employees, directors, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer and the Guarantor believe this information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, officers, employees, directors, agents or advisors, and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or their respective affiliates, officers, employees, directors, agents or advisors makes any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents.

The contents of this Offering Circular have not been reviewed by any regulatory authority in any jurisdiction. Investors are advised to exercise caution in relation to the offer. If investors are in any doubt about any of the contents of this Offering Circular, investors should obtain independent professional advice.

## PRESENTATION OF FINANCIAL INFORMATION

The audited consolidated financial information of the Group as at and for the years ended 31 December 2013 and 2014 has been derived from the Guarantor's audited consolidated financial statements as at and for the year ended 31 December 2014, which have been audited by China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所). Such financial statements have only been prepared in Chinese (the "**Guarantor's Financial Statements**"), an English translation of which has been prepared and included elsewhere in this Offering Circular for reference only (the "**English Translated Guarantor's Financial Statements**"). The English Translated Guarantor's Financial Statements do not themselves constitute audited financial statements, and are qualified in their entirety by, and are subject to the more detailed information and the financial information set out or referred to in, the Guarantor's Financial Statements which are included elsewhere in this Offering Circular. Neither the Joint Lead Managers nor their respective affiliates, officers, employees, directors, agents and advisors has independently verified or checked the accuracy of such translation and can give no assurance that the information contained in such translation is accurate, truthful or complete. Potential purchasers must exercise caution when using such financial information to evaluate the financial condition, results of operations and prospects of the Group.

The Group's financial statements have been prepared and presented in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**"). PRC GAAP differs in certain material respects from the International Financial Reporting Standards ("**IFRS**"). For a discussion of certain differences between PRC GAAP and IFRS, see "*Summary of Significant Differences between PRC GAAP and IFRS*".

## CERTAIN DEFINITIONS AND CONVENTIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the “**Issuer**” are to Haikou Meilan International Airport Investment Limited, all references to the “**Guarantor**” are to Haikou Meilan International Airport Company Limited. References to the “**Group**” are to the Guarantor and its subsidiaries, or to the Guarantor, its subsidiaries, associated companies and companies in which the Guarantor has an interest, as applicable.

In this Offering Circular, unless the context otherwise requires, references in this Offering Circular to “**Hong Kong dollars**”, “**HK dollars**” or “**HK\$**” are to the lawful currency of Hong Kong, “**Renminbi**”, “**CNY**” and “**RMB**” are to the lawful currency of the PRC, “**U.S. dollars**”, “**US\$**” and “**USD**” are to the lawful currency of the United States of America (the “**United States**”), “**PRC**” and “**China**” are to the People’s Republic of China which for the purpose of this Offering Circular excludes Hong Kong, Macau and Taiwan, “**Hong Kong**” are to the Hong Kong Special Administrative Region of the PRC, and “**Macau**” are to the Macau Special Administrative Region of the PRC.

In this Offering Circular, certain amounts and percentages may have been rounded up or down, including but not limited to where information has been presented in thousands, millions, or billions of units. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates titles and the like are translations of their Chinese names and are included for identification purposes only.

In this Offering Circular, unless otherwise indicated or the context otherwise requires, references to:

- “**CAAC**” refers to the Civil Aviation Administration of China, the aviation authority under the Ministry of Transport of the People’s Republic of China, which oversees civil aviation and investigates aviation accidents and incidents;
- “**CAGR**” refers to compounded annual growth rate;
- “**GDP**” refers to Gross Domestic Product, which refers to the market value of all final goods and services produced within a country in a given period;
- “**HNA Group**” refers to HNA Group Co., Limited, a major shareholder of the Guarantor;
- “**ICAO**” refers to International Civil Aviation Organization;
- “**IFRS**” means International Financial Reporting Standards;
- “**Meilan Airport**” refers to Haikou Meilan International Airport;
- “**MOFCOM**” refers to the Ministry of Commerce of the People’s Republic of China;
- “**MOF**” refers to Ministry of Finance of the People’s Republic of China;
- “**NDRC**” refers to the National Development and Reform Commission of the People’s Republic of China;
- “**PBOC**” refers to the People’s Bank of China, the central bank of the PRC;
- the “**PRC government**” refers to the central government of China and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;

- “**SAFE**” refers to the State Administration of Foreign Exchange of the People’s Republic of China or its competent local counterpart;
- “**SASAC**” refers to the State-owned Assets Supervision and Administration Commission of the People’s Republic of China or its competent local counterpart; and
- “**4E standards**” refers to Standards of civil airports provided in the Technical Standards for Airfield Area of Civil Airports issued by the CAAC; airports which fall within the 4E category have standard runway lengths of at least 1,800 metres and can accommodate aircrafts with wingspans between 52 and 65 metres and main landing gears that span 9 to 14 meters between the bogies.



## FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding the Issuer’s, the Guarantor’s, the Group’s future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Issuer, the Guarantor, the Group participates or is seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “will”, “may”, “anticipate”, “seek”, “should”, “estimate” or similar expressions or the negatives thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Issuer’s, the Guarantor’s, the Group’s control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer’s, the Guarantor’s, the Group’s present and future business strategies and the environment in which the Issuer, the Guarantor, the Group will operate in the future. Important factors that could cause the Issuer’s, the Guarantor’s, the Group’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- the risks inherent to the industry in which the Issuer, the Guarantor, the Group operates;
- the business and operating strategies and the future business development of the Issuer, the Guarantor, the Group;
- the general economic, political, social conditions and developments in the PRC;
- changes in competitive conditions and its ability to compete under these conditions;
- the Issuer’s, the Guarantor’s, the Group’s operations and business prospects;
- the Issuer’s, the Guarantor’s, the Group’s capital expenditure and development plans;
- the Issuer’s, the Guarantor’s, the Group’s expectations with respect to its ability to acquire and maintain regulatory qualifications required to operate its business;
- the availability and charges of bank loans and other forms of financing;
- the Issuer’s, the Guarantor’s, the Group’s financial condition and results of operations;
- the Issuer’s, the Guarantor’s, the Group’s dividend distribution plans;
- changes in currency exchange rates;
- macroeconomic policies of the PRC government; and
- other factors beyond the Issuer’s, the Guarantor’s, the Group’s control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and elsewhere in this Offering Circular. The Issuer and the Guarantor caution investors not to place undue reliance on these forward-looking statements which reflect their managements’ view only as at the date of this Offering Circular.

None of the Issuer or the Guarantor undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the actual results of the Issuer or the Guarantor could differ materially from those anticipated in these forward-looking statements.

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## SUMMARY

*The summary below is only intended to provide a very limited overview of information described in more detail elsewhere in this Offering Circular. This summary does not contain all the information that may be important to prospective investors in deciding to invest in the Notes. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should read the entire Offering Circular, including the section entitled “Risk Factors” and the financial statements and related notes thereto, before making an investment decision.*

### **The Group**

The Group operates Meilan Airport, the main gateway to the Hainan Island. Trial operations at Meilan Airport commenced on 28 March 1999 and commercial operations commenced on 25 May 1999. Meilan Airport is located approximately 20 kilometres southeast of Haikou, the provincial capital of Hainan Province. It has one runway, one airport terminal and one cargo centre. The runway has been constructed in accordance with ICAO category 4E standards and is capable of accommodating landing and takeoff of large commercial airliners. The airport terminal has an annual handling capacity of approximately 15.0 million passenger arrivals and departures. In 2014, Meilan Airport was named the 19th busiest airport in the PRC in terms of passenger throughput and cargo throughput.

The Group engages in aeronautic and non-aeronautic businesses. Its aeronautic business includes provision of terminal facilities, passenger and cargo service facilities, ground handling services, aircraft fueling facilities and sale of aviation fuel. Its non-aeronautical business includes leasing of commercial and retail spaces at Meilan Airport, air catering services franchising, leasing of advertising spaces at the airport, car parking services at the airport, tourism services, and licensing of duty-free shops.

The Group’s major subsidiary, HNA Infrastructure Company Limited (formerly Hainan Meilan International Airport Company Limited), is listed on the Hong Kong Stock Exchange (Stock Code: 357). HNA Infrastructure Company Limited’s principal business is the management and operation of Meilan Airport. The Guarantor’s other subsidiaries include Hainan Meiya Industrial Co., Ltd., which engages in the sale of aviation fuel and provides aircraft fueling services at Meilan Airport and Hainan Meilan International Airport Cargo Co., Ltd., which provides cargo handling services at Meilan Airport.

As at 31 December 2014, the Group’s airline customers included 26 domestic airlines, 10 international airlines and 4 regional airlines. These airlines operated 138, 159 and 193 total flight routes for the years ended 31 December 2012, 2013 and 2014, respectively. As at 31 December 2014, these airlines operated 174 domestic routes, 17 international routes and 3 regional routes to and from Meilan Airport. The routes reach 80 destinations in China, 13 destinations internationally and 3 destinations regionally. Meilan Airport is the home base for Hainan Airlines.

As at 31 December 2013 and 2014, the Group had total assets of approximately CNY13.7 billion, and CNY17.1 billion, respectively. For each of the years ended 31 December 2013 and 2014, the Group recorded total revenue of approximately CNY3.4 billion, and CNY3.7 billion, respectively and a net profit of approximately CNY390.9 million and CNY343.1 million, respectively. Details of the financial information of the Group are set out in sections entitled “*Index to Financial Statements*” in this Offering Circular.

### **Strengths**

The Group believes that its key strengths are as follows:

- Strong support from major shareholders including HNA Group and the Chinese government
- Advantageous geographical location
- Preferential policies from government authorities

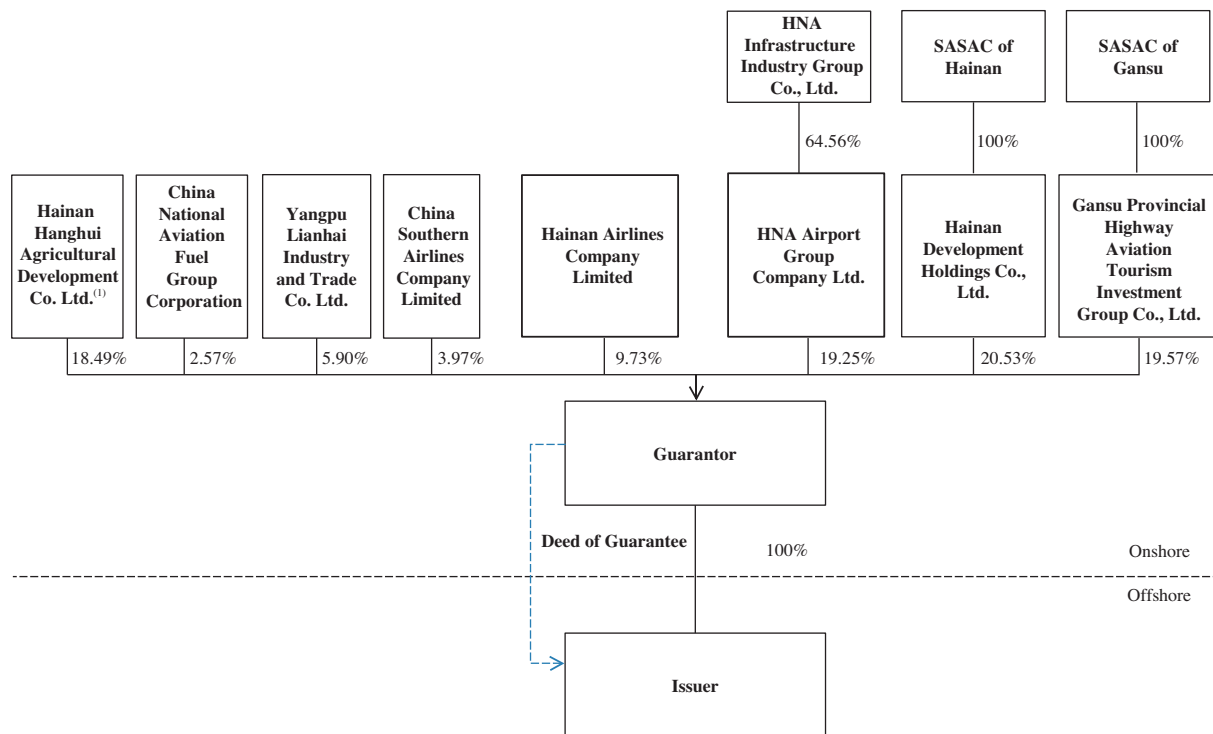
- Strong growth of the tourism industry in Hainan
- Well-maintained runway and advanced facilities
- Steady financial policy and diversified funding resources
- Market oriented management team

**Strategies**

- Explore new market potentials
- Focus on and continue to develop the duty-free business
- Continue to expand airport terminal and facilities
- Develop hotel and catering businesses

See “Description of the Group”.

The following chart sets forth the Group’s corporate structure as at the date of this Offering Circular:



1. Hainan Hanghui Agricultural Development Co. Ltd.’s shareholding in the Guarantor is pending to be approved by CAAC, and the change of registration with competent administration of industry and commerce needs to be conducted.

## THE OFFERING

*The following summary contains some basic information about the Notes and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this summary. For a complete description of the terms of the Notes, see “Terms and Conditions of the Notes” in this Offering Circular. This summary is not intended to be complete and does not contain all of the information that is important to an investor.*

Issuer	Haikou Meilan International Airport Investment Limited.
Guarantor	Haikou Meilan International Airport Company Limited.
Notes	CNY300,000,000 7.25 per cent. Guaranteed Notes due 2018 (the “ <b>New Notes</b> ”), to be consolidated and form a single series with the CNY600,000,000 7.25 per cent. Guaranteed Notes due 2018 issued on 16 June 2015 (the “ <b>Existing Notes</b> ”, and together with the New Notes, the “ <b>Notes</b> ”).
Guarantee of the Notes	Payment of all sums from time to time payable by the Issuer in respect of the Notes is irrevocably and unconditionally guaranteed by the Guarantor.
Issue Price	100.00 per cent. the principal amount, plus an amount corresponding to accrued interest from, and including, 16 June 2015 to, but excluding, 3 July 2015.
Form and Denomination	The Notes will be issued in registered form in the denomination of CNY1,000,000 each and integral multiples of CNY10,000 in excess thereof.
Interest	The Notes will bear interest from and including 16 June 2015 at the rate of 7.25 per cent. per annum, payable semi-annually in arrear on the Interest Payment Dates falling on, or nearest to, 18 June and 18 December in each year, with the first payment of interest to be made on 18 December 2015 in respect of the period from (and including) the Issue Date to (but excluding) such Interest Payment Date.
New Issue Date	3 July 2015.
Maturity Date	On the Interest Payment Date falling on, or nearest to, 18 June 2018.
Status of the Notes	The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Guarantee of the Notes	The Guarantee of the Notes constitutes direct, general, unsubordinated and unconditional obligations of the Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 3(a) of the Terms and Conditions of the Notes.

Redemption at Maturity

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount in Renminbi on the Interest Payment Date falling on, or nearest to, the Maturity Date.

Taxation

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or the British Virgin Islands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Where such withholding or deduction is made by the Issuer or the Guarantor as a result of the Issuer or the Guarantor, as the case may be, being deemed by PRC tax authorities to be a PRC tax resident at the rate of up to (and including) 10 per cent. (the “**Applicable Rate**”), the Issuer or the Guarantor, as the case may be, will pay such additional tax amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event that the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate; or (ii) by or within the British Virgin Islands, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note in the circumstances set out in Condition 7 of the Terms and Conditions of the Notes.

Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with the Terms and Conditions of the Notes (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that (A) the Issuer or the Guarantor (if a demand was made under the Guarantee of the Notes) has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the PRC or British Virgin Islands (in the case of the Issuer) or the laws or regulations of the PRC (in the case of the Guarantor) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 9 June 2015, and (B) such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it, *provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

#### Redemption for Relevant Event

At any time following the occurrence of a Relevant Event, each Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date at 101 per cent. (in the case of a Change of Control) and 100 per cent. (in the case of a No Registration Event) of their principal amount, together with accrued interest to such Put Settlement Date.

A "**Change of Control**" occurs when:

- (a) HNA Group Co., Limited, Hainan State-owned Assets Supervision and Administration Commission of the People's Republic of China and the Hainan Provincial Government of the People's Republic of China, acting together, ceases to own, directly or indirectly, at least 30 per cent. of the issued share capital of the Guarantor;
- (b) any Person or Persons acting together acquires Control of the Guarantor if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Issue Date; or
- (c) the Issuer ceases to be, directly or indirectly, a wholly-owned Subsidiary of the Guarantor.

A "**No Registration Event**" occurs when the Registration Certificates are not delivered to the Trustee on or before the Registration Deadline.

#### Events of Default

If any of the events as described in Condition 8 of the Terms and Conditions of the Notes occurs, the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest (if any) without further action or formality.

#### Cross-Default

The Notes will contain a cross-default provision as further described in Condition 8(c) of the Terms and Conditions of the Notes.

#### Clearing Systems

The Notes will be represented by beneficial interests in the Global Note Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depository for Euroclear and Clearstream. The original global note certificate which represents the principal amount of the Existing Notes will be withdrawn from Euroclear and Clearstream and cancelled at the same time as the Global Note Certificate is deposited with the common depository. Beneficial interests in the Global Note Certificate will be shown on and transfers thereof will be effected only through records maintained by Euroclear and Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for beneficial interests in the Global Note Certificate.

Clearance and Settlement	The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes:  ISIN: XS1246016817 Common Code: 124601681
Governing Law	Hong Kong law.
Trustee	The Bank of New York Mellon, London Branch.
Principal Paying Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon (Luxembourg) S.A.
Listing	Approval-in-principle has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Approval-in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries, their respective associated companies (if any), the Guarantee of the Notes or the Notes. Subject to the approval of the SGX-ST, the Notes will be traded on the SGX-ST in a minimum board lot size of not less than CNY1,000,000 (or its equivalent in other currencies) as long as any of the Notes are listed on the SGX-ST.
Rating	The Notes have not been rated.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.



## SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR

*The following tables set forth the summary consolidated financial information of the Guarantor as at and for the periods indicated.*

*The summary audited consolidated financial information as at and for the years ended 31 December 2013 and 2014 has been derived from the Guarantor's audited consolidated financial statements as at and for the year ended 31 December 2014, which have been audited by China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所). The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, such consolidated financial statements of the Guarantor and, including the notes thereto. Historical results of the Guarantor are not necessarily indicative of results that may be achieved for any future period.*

*For consistency and comparison purposes, certain consolidated financial information as at and for the year ended 31 December 2013 in the Guarantor's Financial Statements have been restated to reflect the adoption of the revised Accounting Standards for Business Enterprises No. 2 on Long Term Equity Investment and Accounting Standards for Business Enterprises No. 30 on the Presentation of Financial Statements (the "**Revised Accounting Standards**"), which came into effect on 1 July 2014. The consolidated financial information of the Group (with adjustment of such certain financial information) as at and for the year ended 31 December 2013 are presented as comparatives in the Guarantor's Financial Statements, an English translation of which has been prepared and included elsewhere in this offering circular for reference only (the "**English Translated Guarantor's Financial Statements**"). The details of the change in accounting policy resulting from the adoption of the Revised Accounting Standards mentioned above have been set on page F-41.*

*The English Translated Guarantor's Financial Statements do not themselves constitute audited financial statements, and are qualified in their entirety by, and are subject to the more detailed information and the financial information set out or referred to in, the Guarantor's Financial Statements. Neither the Joint Lead Managers nor their respective affiliates, officers, employees, directors, agents and advisors has independently verified or checked the accuracy of such translation and can give no assurance that the information contained in such translation is accurate, truthful or complete. Potential purchasers must exercise caution when using such financial information to evaluate the financial condition, results of operations and prospects of the Group.*

*The Guarantor's financial statements have been prepared and presented in accordance with PRC GAAP. PRC GAAP differs in certain material respects from IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "Summary of Significant Differences between PRC GAAP and IFRS".*

## Summary Consolidated Income Statement of the Guarantor

	For the Year Ended 31 December	
	2013	2014
	(Audited) (Restated)	(Audited)
	(RMB in millions)	
<b>Total operating revenue</b> .....	<b>3,438.6</b>	<b>3,660.4</b>
In which: Operating revenue .....	3,438.6	3,660.4
<b>Total operating cost</b> .....	<b>3,291.8</b>	<b>3,382.0</b>
In which: Operating cost.....	2,771.6	2,908.9
Business tax and surcharges .....	39.7	24.1
Selling expenses .....	41.6	42.1
Administrative expenses.....	106.5	112.9
Finance cost.....	331.5	279.1
Asset impairment losses .....	0.8	14.9
Add: Gains from changes in fair value.....	10.2	56.2
Investment income .....	293.6	109.7
<b>Operating profit</b> .....	<b>450.6</b>	<b>444.4</b>
Add: Non-operating revenue .....	5.5	33.1
In which: Income from disposal of non-current Assets .....	0.0	0.1
Less: Non-operating expenses .....	3.3	8.3
In which: Disposal loss on non-current Assets .....	1.7	5.9
<b>Profit before tax</b> .....	<b>452.8</b>	<b>469.1</b>
Less: Income tax.....	61.9	126.0
<b>Net profit</b> .....	<b>390.9</b>	<b>343.1</b>
Net profits attributed to shareholders of the parent company.....	200.8	168.2
Net profit attributable to minority interests .....	190.2	174.8
<b>Other comprehensive income</b> .....	<b>(17.7)</b>	<b>254.5</b>
<b>Total comprehensive income</b> .....	<b>373.2</b>	<b>597.6</b>
Total comprehensive income attributable to shareholders of the parent company .....	183.1	422.7
Total comprehensive income attributable to minority interests.....	190.2	174.8

## Summary Consolidated Balance Sheet of the Guarantor

	As at 31 December	
	2013	2014
	(Audited) (Restated)	(Audited)
	(RMB in millions)	
<b>Assets</b>		
<b>Current assets:</b>		
Cash at bank and in hand .....	3,754.9	3,063.5
Accounts receivable .....	256.4	283.4
Prepayments .....	33.2	68.0
Interests receivable .....	5.3	2.3
Other receivables .....	1,363.0	1,902.1
Inventories .....	91.8	74.6
Non-current assets due within one year .....	—	14.5
Other current assets .....	5.4	2.9
<b>Total current assets .....</b>	<b>5,510.0</b>	<b>5,411.2</b>
<b>Non-current Assets:</b>		
Available-for-sale financial assets .....	3,271.7	5,322.0
Held-to-maturity investments .....	1,003.8	1,004.7
Long-term accounts receivable .....	—	380.0
Long-term equity investments .....	1,339.3	1,514.1
Investment properties .....	229.8	286.0
Fixed assets .....	1,811.2	1,823.5
Construction in progress .....	109.9	464.5
Intangible assets .....	347.1	337.6
Goodwill .....	12.3	12.3
Long-term prepaid expenses .....	20.3	28.8
Deferred income tax assets .....	9.6	13.7
Other non-current assets .....	57.4	533.8
<b>Total non-current assets .....</b>	<b>8,212.4</b>	<b>11,721.0</b>
<b>Total assets .....</b>	<b>13,722.4</b>	<b>17,132.2</b>
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Short-term borrowings .....	1,163.3	1,581.0
Notes payable .....	90.0	570.0
Accounts payable .....	121.5	136.5
Advances from customers .....	11.4	58.0
Employee benefits payable .....	51.6	58.4
Tax payable .....	27.8	45.9
Interests payable .....	140.8	145.1
Dividends payable .....	0.7	5.5
Other payables .....	252.1	326.3
Non-current liabilities due within one year .....	1,230.1	782.2
<b>Total current liabilities .....</b>	<b>3,089.3</b>	<b>3,708.9</b>

	As at 31 December	
	2013	2014
	(Audited) (Restated)	(Audited)
	(RMB in millions)	
<b>Non-current liabilities:</b>		
Long-term borrowings .....	2,094.6	2,143.9
Bonds payable .....	2,392.4	3,393.6
Long-term payables .....	384.7	443.0
Deferred income .....	92.8	182.7
Deferred income tax liabilities.....	93.9	176.1
Other non-current liabilities.....	—	—
<b>Total non-current Liabilities .....</b>	<b>5,058.5</b>	<b>6,339.3</b>
<b>Total liabilities .....</b>	<b>8,147.8</b>	<b>10,048.2</b>
<b>Equity:</b>		
Share capital.....	2,028.9	2,519.1
Capital reserve .....	769.0	1,261.4
Others comprehensive income.....	220.0	474.5
Appropriative reserve .....	3.9	5.8
Surplus reserve .....	18.8	22.5
Undistributed profits.....	1,074.7	1,231.4
<b>Total equity attributable to shareholders of the parent company .....</b>	<b>4,115.3</b>	<b>5,514.6</b>
Minority interests .....	1,459.3	1,569.4
<b>Total equity .....</b>	<b>5,574.6</b>	<b>7,084.0</b>
<b>Total liabilities and equity .....</b>	<b>13,722.4</b>	<b>17,132.2</b>

## EBITDA Data of the Guarantor

	For the Year Ended 31 December	
	2013	2014
	(Audited)	(Audited)
	(RMB in millions)	
<b>EBITDA<sup>(1)</sup></b> .....	915.8	873.2
<b>EBITDA margin<sup>(2)</sup></b> .....	0.27	0.24
<b>EBITDA to total interest expense ratio</b> .....	2.57	3.13
<b>Ratio of total debt<sup>(3)</sup> to EBITDA</b> .....	7.51	9.50
<b>Ratio of net debt<sup>(4)</sup> to EBITDA</b> .....	3.48	6.29

(1) EBITDA for any period is calculated as net profit plus interest expenditures, income tax, depreciation of fixed assets, amortisation of intangible assets and amortisation of long-term deferred expenses. EBITDA is not a standard measure under PRC GAAP. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit or any other measure of performance or as an indicator of the Guarantor's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating cash expenses. In evaluating EBITDA, investors should consider, among other things, the components of EBITDA such as selling and distribution costs and the amount by which EBITDA exceeds capital expenditures and other charges. The Guarantor has included because it believes it is a useful supplement to cash flow data as a measure of performance and ability to generate cash flow from operations to service debt and pay taxes. EBITDA presented in this offering circular may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Guarantor's EBITDA to EBITDA presented by other companies because not all companies use the same definition. The following table reconciles its EBITDA to the Guarantor's profit for the period, which is the most directly comparable PRC GAAP measure:

	For the Year Ended 31 December	
	2013	2014
	(Audited)	(Audited)
	(RMB in millions)	
<b>Net Profit</b> .....	390.9	343.1
Adjustments:		
Add:		
Taxation .....	61.9	126.0
Interest Expenses .....	356.9	278.6
Depreciation .....	102.8	110.8
Amortization .....	3.3	14.7
<b>EBITDA</b> .....	<u>915.8</u>	<u>873.2</u>

(2) EBITDA margin is calculated by dividing EBITDA by revenue.

(3) Total debt is calculated by adding short term loans, long term borrowings due within one year, bonds payable due within one year, bonds payable, long term loans and notes payable.

(4) Net debt is calculated by subtracting total debt by cash and cash equivalent.

## RISK FACTORS

*Prior to making any investment decision, prospective investors should consider carefully all of the information contained in this Offering Circular, including the risks and uncertainties described below. The business, results of operations and financial condition of the Group could be materially and adversely affected by any of these risks. The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Notes, the Guarantee of the Notes and the Trust Deed. Additional considerations and uncertainties not presently known to the Guarantor or the Issuer which they currently deem immaterial may also have an adverse effect on an investment in the Notes. All of these factors are contingencies which may or may not occur and none of the Issuer or the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes are also described below. The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Guarantor to pay all sums due under the Guarantee of the Notes and the inability of the Issuer to repay principal, interest or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and none of the Issuer or the Guarantor represents that the statements below regarding the risks of investment in the Notes are exhaustive.*

### RISKS RELATING TO THE GROUP

#### **The Group may not be able to implement its growth strategy.**

The Group's success in implementing its growth strategies is determined by, amongst other factors:

- the general condition of the global, regional and local economies in which the Meilan Airport is connected to and continued growth in demand for air transportation;
- the availability, terms and costs of any financing required to make an acquisition or complete expansion plans;
- the Group's ability in identifying, investing in and integrating suitable expansion targets;
- the Group's ability in improving its operating, financial and internal control systems; and
- the Group's ability in recruiting, training and retaining experienced and skilled management staff and crew.

The growth strategies of the Group may not be implemented successfully, and such failure or inadequacy could give rise to adverse impact on the growth and development of its business. In the event that the Group is unable to successfully implement its growth strategies, there may be a material adverse effect on the Group's financial condition and results of operations.

#### **Results of operations is dependent on factors beyond the Group's control.**

The principal factors affecting the Group's operating results and business prospects are:

- the number and types of aircraft using Meilan Airport;
- the number of passengers arriving at and departing from Meilan Airport;
- the respective numbers of flights operated by regional carriers on the one hand, and domestic carriers on the other hand, using Meilan Airport; and
- the volume of air cargo shipped to and from Meilan Airport.

These factors are influenced by a number of variables, many of which are beyond the Group's control. These variables include:

- levels of trade, tourism and business travel between the Haikou area and the rest of the PRC;
- levels of trade, tourism and business travel between the Haikou area and those countries and regions that have established international flight connections to Haikou;
- levels of economic activity and per capita income in the PRC;
- aviation fuel prices set by the relevant government authorities;
- competition from alternative airports, tourist destinations and means of transportation;
- relative values of various relevant currencies;
- air ticket prices; and
- actual or perceived security threats to air travel.

Any significant reduction in the numbers of passenger arrivals and departures, aircraft movements or cargo throughput could have a material adverse effect on the Group's results of operations.

**The Group's business is dependent on the development of Hainan as a tourist destination.**

Substantially all of the air traffic using Meilan Airport is destination traffic, rather than transit traffic. Hainan, as a renowned tourist island, attracts a lot of international and domestic tourists every year. Hainan competes with other South-east Asian destinations such as Hong Kong, Macau, Thailand and Singapore for tourist arrivals and departures. Any factors that could enhance the attractiveness, convenience or affordability of these destinations relative to Hainan or a change in arrival patterns of tourists in the PRC, could have an adverse effect on the Group's business, financial condition and results of operations.

**The Group's airport business is dependent on domestic and regional economic growth.**

Similar to other countries, the Chinese civil aviation industry is dependent on the level of domestic, regional and global economic growth, international trade and consumer spending. During periods of robust economic growth, passenger movements may grow at a rate as great as, or even greater than, that of the GDP. On the other hand, during periods of slow GDP growth, passenger throughput may exhibit slow or even negative growth. The civil aviation sectors of most Asian countries, including China, were negatively affected by the slowdown in economic growth during the global financial crisis in 2008, leading to reduced load factors among airlines and decreases in passenger throughput and aircraft movements at airports. There can be no assurance that future fluctuations of the economic or business cycle or other events that could influence GDP growth will not have an adverse effect on the Group's business, financial condition and operating results.

**Construction risks which are beyond the Group's control may adversely affect business.**

A number of expansion and renovation projects which may be undertaken at Meilan Airport in the future may require substantial capital expenditure during their construction and it may take many months, or possibly years, until the projects are completed. The time taken and the costs incurred in completing an expansion or renovation project can be adversely affected by many factors including but not limited to shortages of materials, equipment, technical skills and labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors and sub-contractors, accidents, changes in government priorities and policies, delays in receiving the requisite licences, permits and approvals from relevant authorities, increase in mandatory safety standards and unforeseen problems

and circumstances. Any of these factors could give rise to delays in the completion of a project and result in costs exceeding those initially budgeted. The failure to complete the construction of a project to its planned specifications or schedule may result in the liabilities being assumed, reduced efficiency or loss of revenue or less attractive returns to the Group.

**Meilan Airport is susceptible to operation and business interruptions.**

The operation of Meilan Airport and the business of the Group could be interrupted or otherwise affected by serious air traffic accidents or natural disasters such as earthquakes that could cause material damage to the airfield or terminal facilities, or disrupt the ability of aircraft to land at Meilan Airport. For example, the September 2014 typhoon Kalmaegi that landed on Hainan caused more than 100 flights to be cancelled. The Group's insurance policies, which were adopted based on common practice in the PRC, do not provide for compensation for loss of profits or consequential damages in the case of business interruption. Any such event or condition affecting Meilan Airport or the areas that it serves could have a material adverse effect on the Group's business, results of operations, prospects and financial condition.

As is the case with many other domestic and international airports around the world, Meilan Airport has only one commercial runway. There is no assurance that the operation of the runway may not be disrupted due to required maintenance or repairs. In addition, the runway could require unscheduled repair or maintenance due to natural disasters, aircraft accidents and other factors that are beyond the Group's control. The closure of the runway for a significant period of time could have a material adverse effect on the Group's business, results of operations, prospects and financial condition.

**The Group's ability to arrange for external financing and cost of such financing may be adversely affected by factors beyond its control.**

The Group's airport business requires a substantial amount of capital for expansion. The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investors' confidence in the Group, success of the Group's businesses, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital, and political and economic conditions in the PRC and elsewhere. For example, there is no assurance that the Group can secure adequate financing to fund the land acquisitions and construction projects for expansion of the airport. The failure to do so may adversely affect the business, financial condition and results of operations of the Group.

**The Group may not have, or may be unable to maintain, adequate insurance coverage.**

The operation of the businesses of the Group has an inherent risk of fire, collisions, explosions and other disasters, environmental pollution, cargo and property loss or damage, and business interruption caused by mechanical failure, human error, political action, labour strikes, adverse weather conditions and other circumstances or events. Any such incident may result in loss of revenue or increased costs. Some of these incidents may even result in personal casualty. The Group has arranged for insurance coverage against certain of these risks in line with industry standards.

However, there can be no assurance that all potential risks are adequately insured against, that any particular claim will be paid or that the Group will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

**Meilan Airport is in competition with other modes of transport to and from Hainan.**

The airport business is dependent on passenger and cargo traffic, which airports compete for with each other and with alternative modes of transportation, particularly transport by highways, rail and water. Although air travel is generally significantly more convenient and comfortable for passenger traffic, the cost of air travel is usually much higher than the cost of travel by highways, rail and water. Cargo transport by highways, rail and water are the principal sources of competition to air cargo traffic, particularly in the case of large or heavy loads or goods for which speed is of lower priority. In recent years, large amounts of investment have been made in the improvement of the rail network and the construction of highways. This may further intensify the competition for passenger and freight traffic between air transport and transport by highways, rail or water. The Guangdong-Hainan



Railway, opened for traffic in 2003, reduced travel time from Guangzhou to Haikou to approximately 10 hours. The railway link creates competition for certain categories of non-priority cargo that is currently carried by air, and among economy travellers. This competition could affect the passenger and cargo throughput at Meilan Airport.

**The Group has no control over the profitability of its aviation fuel business.**

All of the aviation fuel sold by the Group must be purchased from the exclusive providers, China Petroleum and Chemical Corporation (“CPCC”), a state-owned company controlled and supervised by the CAAC. Aviation fuel obtained from the CPCC is purchased at a price determined and adjusted by the NDRC from time to time based on market conditions and other factors. The Group then sells the fuel to airline customers at a price regulated by the CAAC. As a result, the Group has no control over the profitability of its aviation fuel business. If the profitability of the Group’s aviation fuel is lowered due to CPCC’s price adjustment, results of operations of the Group may suffer.

**Changes in CAAC’s regulations could adversely affect the Group’s business.**

Civil airports in China are subject to extensive direct regulation by CAAC, which also incorporates relevant international treaties in relation to many aspects of their operations including technical standards of airfield facilities and equipment, aeronautical fees, renovation, construction and expansion of airport facilities, air traffic and ground safety. CAAC’s regulation relating to airlines such as approval of new international routes, new domestic airlines, route allocation, airfares and the purchase or lease of aircraft may also affect the operation of civil airports in China. While the Group generally benefits from CAAC policies that are beneficial to the civil aviation industry in China as a whole, it is possible that there may be conflicts between the CAAC policies and the Group’s policies, and the implementation of certain CAAC policies could from time to time adversely affect the Group’s operation. In particular, there can be no assurance that CAAC will not make any changes in the regulations or policies affecting the levels of the aeronautical fees, which may have an adverse effect on the Group’s revenues. Also, there can be no assurance that aeronautical fee will be increased when such increases are applied for, if at all. Nor can there be assurance that CAAC will, in all circumstances, apply its regulations and policies in a manner that results in equal treatment of all airports.

The Group’s business is subject to extensive and evolving PRC laws and regulations. Many of the laws, regulations and instruments that regulate the Group’s business were only recently adopted or became effective. Besides, there is only a limited history of the regulations which makes difficult any prediction on the impact of these legal requirements on the Group’s future operations. These laws and regulations may limit the flexibility in operating the business, which could have a material adverse effect on the Group’s business, results of operations, prospects and financial condition. Moreover, there can be no assurance that the laws and regulations governing the Group’s business will not change.

**The Group’s high leverage could adversely affect its business.**

The Group is highly leveraged and has significant debt obligations. As at 31 December 2014, the Group’s total debt amounted to CNY8.5 billion and its guarantee provided to subsidiaries and affiliates amounted to CNY1.3 billion. In addition, the Group may incur additional debt from time to time to finance acquisitions or the development of projects, for capital expenditures or for other purposes.

As a result of such high leverage, the Group:

- could be more vulnerable to general adverse economic and industry conditions;
- may find it more difficult to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;
- will be required to dedicate a substantial portion of its cash flow from operations to the payment of principal and interest on its debt, reducing the available cash flow to fund other projects;
- may have limited flexibility in planning for, or reacting to, changes in its business and in the industry;

- may have a competitive disadvantage relative to other companies in its business segments with less debt;
- may face difficulties in establishing strategic or other long-term business joint ventures; and
- may not be able to refinance its outstanding indebtedness.

The Group cannot guarantee that it will be able to generate enough cash flow from operations or that it will be able to obtain sufficient capital to service its debt or fund its planned capital expenditures. In addition, we may need to refinance some or all of its indebtedness on or before maturity. The Group cannot guarantee that it will be able to refinance its indebtedness on commercially reasonable terms or at all.

**Government grants are subject to uncertainty, which could harm the Group's business and results of operations.**

The Group receives various government grants, including the Civil Aviation Development Fund Refund and subsidies on various construction projects of Meilan Airport's infrastructure. The Group cannot be certain that the Civil Aviation Development Fund Refund will not be modified or reduced in the future. In addition, the subsidies that the Group receives for Meilan Airport's infrastructure construction projects may not be determined or paid before construction begins. For certain projects the amount or availability of subsidies will not be determined until after construction is completed. Any of the subsidies that the Group expects to obtain may be terminated or modified by the government. If the government reduces the amount of Civil Aviation Development Fund Refund or if a subsidy that the Group expects to receive is not granted, the Group's business, financial condition and results of operations may be adversely affected.

**The Group depends on its key senior management members and key senior officers and may have difficulty in attracting and retaining skilled employees.**

The Group's success depends, to a significant extent, upon the abilities, expertise and efforts of its key senior management members and key senior officers and skilled employees in the airport business. If it loses the services of its key senior management members or key senior officers or skilled employees, the Group may face difficulties in employing and integrating suitable replacement personnel in the short-term. The loss of the services of its key personnel or its inability to attract and retain qualified personnel in the future may have a material adverse effect on its business, financial condition and results of operations.

**The Group operates in a highly regulated industry.**

The airport business that the Group operates in is highly regulated. The laws, rules, regulations or policies applicable to the Meilan Airport may be subject to future change or amendments, or uncertainties regarding their interpretation and application. In order to comply with the existing and future laws and regulations, the Group incurs, and expects to continue to incur, substantial costs in obtaining necessary authorisation, implementing operational changes to fulfil regulatory requirements. Failure to comply with any of these laws, rules, regulations or policies may result in fines, restrictions on the Group's business activities or, in extreme cases, suspension or revocation of the Group's business licences, which could materially and adversely affect the Group's business, financial position, operating results and prospects. In addition, any change or development in laws, rules, regulations or policies, or the interpretation of existing or future laws, rules, regulations or policies, including accounting policies and standards, could have a material and adverse effect on the Group's business, financial position, operating results and prospects.

### **The Group is subject to environmental protection laws.**

The Group is subject to a variety of PRC environmental laws and regulations. For example, the aircraft engine noise created by approaching and departing aircrafts using Meilan Airport may exceed the prescribed level applicable to the surrounding areas. In addition, Meilan is subject to restrictive environmental regulations that limits air emissions. There is no assurance that the Group may not face claims for air or noise pollution in the future. There is no assurance that the Group will not violate any environmental laws and regulations and subject to any liabilities, fines, compensation or suspension of business for violations of such laws and regulations, which could have a material adverse effect on the Group's business, financial conditions and results of operations.

### **The Group may be involved in legal and other proceedings arising from its operations from time to time.**

The Group is subject to legal proceedings and claims in the course of operations, arising from personal injury, property damage, contractual disputes, environmental issues and non-compliance with laws or regulations. If the Group is unsuccessful in defending any legal proceeding, or is unsuccessful in settling any legal proceeding on commercially reasonable terms, the Group may be liable to pay amounts of damages or face penalties or sanctions that may have a material adverse effect on the Group's business and operations.

Nevertheless, the Group believes that no current or potential claims of which it is aware will have a material adverse effect on its consolidated financial position, results of operations or cash flows. For details, please refer to the paragraph headed "Legal Proceedings" in the section titled "*Description of the Group*".

### **The Guarantor's accounts were audited in accordance with PRC Accounting Standards which may be different from International Financial Reporting Standards ("IFRS"). The Guarantor's auditors have no affiliation with any international accounting authority and they have limited international capital markets experience.**

The Guarantor's audited reports for the year ended 31 December 2014 were prepared in accordance with the PRC GAAP and other relevant regulations issued thereafter. Although PRC GAAP are substantively in line with IFRS, PRC GAAP are, to a certain extent, different from IFRS. See "*Summary of Significant Differences between PRC GAAP and IFRS*". There is no guarantee that the PRC GAAP will fully converge with IFRS or there will be no additional differences between the two accounting standards in the future. Potential investors should consult their own professional advisers for an understanding of any differences that may exist between PRC Accounting Standards and IFRS, and how those differences might affect the financial information included in this Offering Circular.

The Guarantor's current independent auditors, China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所), is a registered member of The Chinese Institute of Certified Public Accountants; and has no affiliation with any international accounting authority or firm. Although China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所) has significant audit experience in the PRC, it has limited international capital markets experience. Prospective investors should consider these factors prior to making any investment decision.

## **RISKS RELATING TO THE PRC**

### **Changes in PRC economic, political and social conditions, as well as government policies, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.**

A substantial portion of the Group's business and operations are conducted in China. Accordingly, the Group's business, prospects, financial condition and results of operations are, to a significant degree, subject to economic, political and social developments in China. The Chinese economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures since the late 1970s emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through allocation of resources, controlling payment of foreign currency

denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Certain measures taken by the PRC government to guide the allocation of resources may benefit the overall economy of China but may, however, also have a negative effect on the Group. For example, the Group's business, prospects, financial condition and results of operations may be adversely affected by government control over capital investments, changes in tax regulations that are applicable to the Group, change in interest rates and statutory reserve rates for banks or government control in bank lending activities.

**Future fluctuations in the value of the Renminbi could have an adverse effect on the Group's financial condition and results of operations.**

While the Group conducts a substantial portion of its business operations in the PRC, the Group also derive foreign currencies denominated revenue. The Group convert Renminbi into foreign currencies to meet the relevant subsidiary's own foreign currency obligation. A portion of the Group's revenue, expenses and bank borrowings are denominated in US dollars and other foreign currencies, although the Group's functional currency is the Renminbi. As a result, fluctuations in exchange rates, particularly between the Renminbi, the Hong Kong dollar or the US dollar, could affect the Group's profitability and may result in foreign currency exchange losses of its foreign currency-denominated assets and liabilities.

The exchange rate of the Renminbi against the US dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's, as well as, international, political and economic conditions and the PRC government's fiscal and currency policies. Since 1994, the conversion of the Renminbi into foreign currencies, including the Hong Kong dollar and the US dollar, has been based on rates set daily by the PBOC, based on the previous business day's inter-bank foreign exchange market rates and exchange rates in global financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of the Renminbi to US dollars was generally stable. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. On 19 June 2010, the PBOC announced that the PRC government would reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. On 18 March 2014, the PBOC enlarged the previous floating band of the trading prices of the Renminbi against the US dollar in the inter-bank spot foreign exchange market from 1% to 2% in order to further improve the managed floating RMB exchange rate regime based on market supply and demand with reference to a basket of currencies. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in further and more significant appreciation of the Renminbi against the US dollar. There can be no assurance that the Renminbi will not experience significant appreciation against the US dollar in the future. Any significant increase in the value of the Renminbi against foreign currencies could reduce the value of the Group's foreign currency-denominated revenue and assets.

**The legal system of the PRC is still developing and there are inherent uncertainties that may affect the protection afforded to the Group's business.**

The Group's business and operations in China are governed by the PRC legal system that is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new and continue to evolve, interpretation and enforcement of these laws and regulations involve significant uncertainties and different degrees of inconsistency. Some of the laws and regulations are still in the developmental stage and are therefore subject to policy changes. Many laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. The Group cannot predict the effect of future legal developments in China, including the promulgation of new laws, changes in existing laws or their interpretation or enforcement, or the pre-emption of local regulations by national laws. As a result, there is substantial uncertainty as to the legal protection available to the Group.

Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to the Group. In addition, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management attention. The Group's operations in China are subject to PRC regulations governing PRC companies. These regulations contain provisions that are required to be included in the articles of association of PRC companies and are intended to regulate the internal affairs of these companies.

**It may be difficult to effect service of process upon, or to enforce against, the Group's Directors or members of the Group's senior management who reside in the PRC in connection with judgments obtained in non-PRC courts.**

Substantially all of the Group's assets and the Group's subsidiaries are located in China. In addition, most of the Group's Directors and senior management reside within China, and the assets of the Group's Directors and senior management may also be located within China. As a result, it may not be possible to effect service of process outside China upon most of the Group's Directors and senior management, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal enforcement of judgments of courts with Japan, the United Kingdom, the United States and many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments from various jurisdictions is uncertain.

## **RISKS RELATING TO THE NOTES AND THE GUARANTEE OF THE NOTES**

**The Notes and the Guarantee of the Notes are unsecured obligations.**

As the Notes and the Guarantee of the Notes are unsecured obligations of the Issuer and the Guarantor respectively, the repayment of the Notes and payment under the Guarantee of the Notes may be compromised if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets (as the case may be) and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Notes.

**The Notes may not be a suitable investment for all investors.**

The Notes are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Notes unless they have the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

**An active trading market for the Notes may not develop.**

The Existing Notes are listed on the SGX-ST and the Issuer has applied to also list the New Notes on the SGX-ST. However, there can be no assurance that the Issuer will be able to maintain a listing of the Notes on the SGX-ST or that an active trading market for the Notes will develop or be sustained. No assurance can be given as to the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes or that a liquid market will develop. The liquidity of the Notes will be adversely affected if the Notes are held or allocated to limited investors. None of the Joint Lead Managers is obligated to make a market in the Notes, and if any of the Joint Lead Managers does so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

**The liquidity and price of the Notes following the offering may be volatile.**

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Group's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

**Developments in other markets may adversely affect the market price of the Notes.**

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions, such as the recent Euro zone sovereign debt crisis. The market for securities of entities with PRC operations is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the recent global financial crisis and the Eurozone sovereign debt crisis, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes may be adversely affected.

**Changes in interest rates may have an adverse effect on the price of the Notes.**

The Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As the Notes will carry a fixed interest rate, the trading price of the Notes will consequently vary with the fluctuations in the Renminbi interest rates. If the Noteholders propose to sell their Notes before their maturity, they may receive an offer lower than the amount they have invested.

**Investment in the Notes is subject to exchange rate risks.**

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The Issuer will make all payments of interest and principal with respect to the Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Notes in that foreign currency will decline.

**The Issuer is a special purpose vehicle with no business activities of its own and will be dependent on funds from the Guarantor to make payments under the Notes.**

The Issuer was established by the Guarantor specifically for the purpose of raising funds through the issue of the Notes. The Issuer does not and will not have any material assets but it will receive repayments from the Guarantor and/or its subsidiaries in respect of loans made by the Issuer to those companies, which will be the only material sources of funds available to meet the claims of holders of the Notes. As a result, the Issuer is subject to all the risks to which the Guarantor is subject, to the extent that such risks could limit their ability to satisfy in full and on a timely basis their respective obligations to the Issuer under any such loans. There is no assurance that the Issuer will be able to receive sufficient funds from the Guarantor and/or its subsidiaries and other members of the Group to make payments under the Notes.

**The Issuer may be unable to redeem the Notes.**

On certain dates, including but not limited to the occurrence of a Change of Control, a No Registration Event, and at maturity of the Notes, the Issuer may, and at maturity, will be required to redeem all of the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to redeem the Notes by the Issuer, in such circumstances, would constitute an Event of Default under the Notes, which may also constitute a default under the terms of other indebtedness of the Guarantor or its subsidiaries.

**The Notes and the Guarantee of the Notes will be structurally subordinated to the existing and future indebtedness and other liabilities of the Issuer's and the Guarantor's existing and future subsidiaries (other than the Issuer) and effectively subordinated to the Issuer's and the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness.**

The Notes and the Guarantee of the Notes will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's and the Guarantor's existing and future subsidiaries (other than the Issuer) whether or not secured. The Notes will not be guaranteed by any of the Issuer's and the Guarantor's subsidiaries, and the Issuer and the Guarantor may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer or the Guarantor. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer and the Guarantor is subject to various restrictions under applicable laws. Each of the Issuer's and the Guarantor's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Notes, the Guarantee of the Notes or make any funds available therefore, whether by dividends, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's subsidiaries, respectively, upon that subsidiary's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's creditors (except to the extent that the Issuer or the

Guarantor are creditors of that subsidiary). Consequently, the Notes and the Guarantee of the Notes will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any of the Issuer's and the Guarantor's subsidiaries (other than the Issuer) and any subsidiaries that the Issuer or the Guarantor may in the future acquire or establish.

The Notes and the Guarantee of the Notes are the Issuer's and the Guarantor's unsecured obligations, respectively, and will (i) rank equally in right of payment with all the Issuer's and the Guarantor's other present and future unsubordinated and unsecured indebtedness; (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's and the Guarantor's present and future subordinated obligations. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Notes, these assets will be available to pay obligations on the Notes only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Noteholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are not sufficient assets remaining to pay all these creditors, then all or a portion of the Notes then outstanding would remain unpaid.

**There may be uncertainties relating to the performance of obligations under the Guarantee of the Notes.**

The Guarantor is required by the Provisions on the Administration of Foreign Exchange of Cross-border Guarantees《跨境擔保外匯管理規定》promulgated by SAFE on 12 May 2014 and the Guidelines for Implementing the Provisions on the Administration of Foreign Exchange of Cross-border Guarantee《跨境擔保外匯管理操作指引》promulgated by SAFE on 12 May 2014 (collectively, the “**Foreign Exchange of Cross-border Guarantee Measures**”) to register the Guarantee of the Notes and will register the Guarantee of the Notes with the Hainan Branch of SAFE within 15 PRC Business Days after the date of execution of the new Deed of Guarantee. If the registration of the Guarantee of the Notes is not completed in accordance with the aforesaid provisions, the Guarantor may not be able to go through the procedures of purchase of foreign exchange and remittance to perform its obligations under the Guarantee of the Notes and SAFE may impose a fine or other penalties on the Guarantor.

In addition, there is no guarantee that the Issuer will have sufficient funds to redeem the Notes in time, or on acceptable terms, or at all, if the Issuer intends to redeem the Notes or if the Guarantor fails to complete the registration with the Hainan Branch of SAFE.

The Foreign Exchange of Cross-border Guarantee Measures is a recent regulation and its interpretation may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Guarantee of the Notes in the PRC. In addition, the administration of the Foreign Exchange of Cross-border Guarantee Measures may be subject to a certain degree of executive and policy discretion by SAFE. There is no assurance that the registration of the Guarantee of the Notes with SAFE can be completed by the Guarantor or will not be revoked or amended in the future or that future changes in PRC laws and regulations will not have a negative impact on the validity and enforceability of the Guarantee of the Notes in the PRC.

**The insolvency laws of the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.**

Since the Issuer and the Guarantor are incorporated under the laws of the PRC, any insolvency proceedings relating to the Issuer or the Guarantor even if brought in other jurisdictions, would likely involve PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

**If the Issuer, the Guarantor or its Subsidiaries are unable to comply with the restrictions and covenants in their respective debt agreements (if any), there could be a default under the terms of these agreements, which could cause repayment of their respective debt to be accelerated.**

If the Issuer, the Guarantor or its Subsidiaries are unable to comply with their respective current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, the Guarantor or the relevant Subsidiary, accelerate



repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some debt agreements of the Issuer, the Guarantor or the relevant Subsidiary may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement of the Issuer, the Guarantor or the relevant Subsidiary may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements of the Issuer, the Guarantor or other Subsidiaries. If any of these events occur, the Issuer and the Guarantor cannot assure holders that their respective assets and cash flows would be sufficient to repay in full all of their respective indebtedness, or that they would be able to find alternative financing. Even if they could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to them.

**The Notes will be represented by a Global Note Certificate and holders of a beneficial interest in a Global Note Certificate must rely on the procedures of the Clearing Systems.**

The Notes will be represented by beneficial interests in a Global Note Certificate. Such Global Note Certificate will be registered in the name of a nominee for, and deposited with, a common depository for Euroclear and Clearstream (the “**Clearing Systems**”). The original global note certificate which represents the principal amount of the Existing Notes will be withdrawn from Euroclear and Clearstream and cancelled at the same time as the Global Note Certificate is deposited with the common depository. Except in the circumstances described in the Global Note Certificate, investors will not be entitled to receive definitive Certificates. The Clearing System will maintain records of the beneficial interests in the Global Note Certificate. While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by the Global Note Certificate, the Issuer, or failing which, the Guarantor will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

**The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.**

Where the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding, in breach of the terms of the Trust Deed or the Terms and Conditions of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

**Decisions that may be made on behalf of all holders of the Notes may be adverse to the interests of individual holders of the Notes.**

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individuals.

**The Guarantor's subsidiaries, jointly controlled entities and associated companies are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Guarantor, its jointly controlled entities and associated companies.**

As a holding company, the Guarantor will depend on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Notes and the Guarantee of the Notes (as the case may be). The ability of the Guarantor's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. The Guarantor cannot assure that its subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. In particular, the Guarantor does not maintain complete control over its jointly controlled entities or associates in which it might hold a minority interest. Further, if any of these companies raises capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Guarantor to make payments on the Notes. These factors could reduce the payments that the Guarantor receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its payment obligations under the Notes and the Guarantee of the Notes.

**Gains on the transfer of the Notes may be subject to income tax under PRC tax laws.**

Under the New Enterprise Income Tax Law and its implementation rules, any gains realised on the transfer of the Notes by holders who are deemed under the New Enterprise Income Tax Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the New Enterprise Income Tax Law, a “**non-resident enterprise**” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Notes by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Notes minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between Mainland China and Hong Kong for the avoidance of double taxation, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes.

If a Noteholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Notes, the value of the relevant Noteholder's investment in the Notes may be materially and adversely affected.

**The Notes are redeemable in the event of certain withholding taxes being applicable.**

No assurances are made by the Issuer or the Guarantor as to whether or not payments on the Notes may be made without withholding taxes or deductions applying from the Issue Date on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC or the British Virgin Islands or any subdivision or authority therein or thereof having power to tax. Although pursuant to the Terms and Conditions of the Notes the Issuer or, as the case may be, the Guarantor is required to gross up payments on account of any such withholding taxes or deductions, the Issuer also has the right to redeem the Notes at any time in the event it has or will become obliged to pay additional tax amounts on account of any existing or future withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the British Virgin Islands or by or within the PRC in excess of 10 per cent., or any political subdivision or any authority therein or thereof having power to tax as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 9 June 2015.

### **The Issuer may issue additional Notes in the future.**

Further to the issue of the New Notes, the Issuer may, from time to time, and without prior consultation of the Noteholders, create and issue further Notes (see “*Terms and Conditions of the Notes — Further Issues*”) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Notes.

### **RISKS RELATING TO NOTES DENOMINATED IN RENMINBI**

#### **Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of the Notes.**

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions under current account items.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually. In respect of Renminbi foreign direct investments (“**FDI**”), the People’s Bank of China (“**PBOC**”) promulgated the *Administrative Measures on Renminbi Settlement of Foreign Direct Investment* (外商直接投資人民幣結算業務管理辦法) (the “**PBOC FDI Measures**”) on 13 October 2011 as part of PBOC’s detailed Renminbi FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012, PBOC issued a circular setting out the operational guidelines for FDI. Under the PBOC FDI Measures, special approval for FDI and shareholder loans from PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBOC is still necessary.

On 3 December 2013, MOFCOM promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (商務部關於跨境人民幣直接投資有關問題的公告) (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the PBOC FDI Measures and the MOFCOM Circular are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the Notes.

#### **There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the Issuer’s ability to source Renminbi outside the PRC to service the Notes.**

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While PBOC has established Renminbi clearing and settlement mechanisms for participating banks in Hong Kong, Macau, Singapore, Taiwan, United Kingdom, Germany, South Korea, France, Luxembourg, Qatar, Canada, Australia, Malaysia and Thailand through settlement agreements on the clearing of Renminbi business with Bank of China

(Hong Kong) Limited in Hong Kong, Bank of China, Macau Branch in Macau, Industrial and Commercial Bank of China, Singapore Branch in Singapore, Bank of China, Taipei Branch in Taiwan, China Construction Bank (London) Limited in London, Bank of China, Frankfurt Branch in Frankfurt, Bank of Communications, Seoul Branch in Seoul, Bank of China, Paris Branch in Paris, Industrial and Commercial Bank of China, Luxembourg Branch in Luxembourg, Industrial and Commercial Bank of China, Doha Branch in Doha, Industrial and Commercial Bank of China (Canada) Limited in Toronto, Bank of China, Sydney Branch in Sydney, Bank of China (Malaysia) Limited in Kuala Lumpur and Industrial and Commercial Bank of China (Thailand) Limited in Bangkok (each of the banks, a “**Renminbi Clearing Bank**”, the settlement arrangements, the “**Settlement Arrangements**”), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement (跨境人民幣結算境外參加銀行), such as those relating to direct transactions with PRC enterprises; the PRC enterprises may either conduct settlement activities with a Renminbi Clearing Bank in Hong Kong or Macau (香港、澳門地區人民幣業務清算行) or with onshore commercial banks acting as agents of offshore Renminbi business participating banks (each of the agent banks, an “**Onshore Agent Bank**”) (境外參加銀行的境內代理銀行). Furthermore, offshore Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC, other than that an Onshore Agent bank in China may provide Renminbi account financing for Renminbi business participant banks which maintain Renminbi current accounts with it to satisfy temporary needs of account positions. The Renminbi Clearing Banks, other than Renminbi Clearing Bank in Hong Kong or Macau, which may exchange Renminbi and borrow funds in interbank foreign exchange market and the interbank lending market in China pursuant to the relevant provisions of PBOC, only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

#### **Remittance of proceeds into or outside of the PRC in Renminbi may be subject to restrictions.**

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

## TERMS AND CONDITIONS OF THE NOTES

*The following other than the words in italics is the text of the terms and conditions of the Notes which will appear on the reverse of each of the individual note certificates evidencing the Notes:*

The CNY600,000,000 7.25 per cent. Guaranteed Notes due 2018 (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series therewith) of Haikou Meilan International Airport Investment Limited (the “**Issuer**”) are constituted by, are subject to, and have the benefit of, a trust deed dated on or about 16 June 2015 (as amended, restated, replaced or supplemented from time to time, the “**Trust Deed**”) between the Issuer, Haikou Meilan International Airport Company Limited (海口美蘭國際機場有限責任公司) (the “**Guarantor**”) and The Bank of New York Mellon, London Branch as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of (a) a deed of guarantee dated 16 June 2015 (as amended, restated, replaced or supplemented from time to time, the “**Deed of Guarantee**”) entered into by the Guarantor and (b) an agency agreement dated on about 16 June 2015 (as amended, restated, replaced or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, the Guarantor, The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes) and the transfer agents named therein (the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes), The Bank of New York Mellon, London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. References herein to the “**Agents**” are to the Registrar, the Principal Paying Agent, the Transfer Agents and the Paying Agents and any reference to an “**Agent**” is to any one of them.

Certain provisions of these Conditions are summaries of the Deed of Guarantee, the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Deed of Guarantee, the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available for inspection by Noteholders during normal business hours at the corporate trust office for the time being of the Trustee, being at the date hereof One Canada Square, London E14 5AL, United Kingdom and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below.

### 1. Form, Denomination, Status and Guarantee

- (a) *Form and denomination:* The Notes are in registered form in the denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each, an “**Authorised Denomination**”).
- (b) *Status of the Notes:* The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (c) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be from time to time payable by the Issuer in respect of the Notes. This guarantee (the “**Guarantee of the Notes**”) constitutes direct, general, unsubordinated and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*Upon issue, the Notes will be evidenced by a global note certificate (the “**Global Note Certificate**”) substantially in the form scheduled to the Trust Deed. The Global Note Certificate will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), and will be exchangeable for individual Note Certificates (as defined below) only in the circumstances set out therein.*

## 2. **Register, Title and Transfers**

- (a) *Register:* The Registrar will maintain a register (the “**Register**”) in respect of the Notes outside of the United Kingdom in accordance with the provisions of the Agency Agreement. In these Conditions, the “**Holder**” of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each, a “**Note Certificate**”) will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder.
- (c) *Transfers:* Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

*Transfers of interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing system.*

- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

- (f) *Closed periods*: Noteholders may not require transfers to be registered:
  - (i) during the period of 15 days ending on (and including) the due date for any payment of principal or interest in respect of the Notes;
  - (ii) during the period of 15 days ending on (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(b) (*Redemption for tax reasons*); and
  - (iii) after a Put Exercise Notice (as in Condition 5(c) (*Redemption for Relevant Event*)) has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for Relevant Event*).
- (g) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge to the Holder and at the Issuer's expense) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

### 3. Covenants

- (a) *Negative Pledge*: So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without at the same time or prior thereto (i) securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (b) *Registration with SAFE*: The Guarantor undertakes to file or cause to be filed with the Hainan Branch of the State Administration of Foreign Exchange (“SAFE”), the Guarantee of the Notes within 15 PRC Business Days after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the “**Cross-Border Security Registration**”). The Guarantor shall complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline, shall comply with all applicable PRC laws and regulations in relation to the Guarantee of the Notes and shall ensure that the Cross-Border Security Registration remains in full force and effect for so long as the Notes remain outstanding.

The Guarantor shall within five PRC Business Days after receipt of the registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE), provide the Trustee with the Registration Certificates.

- (c) *Limitation on Activities*: So long as any Note remains outstanding:
  - (i) the Issuer shall, and the Guarantor has undertaken in the Trust Deed to procure that the Issuer shall, not carry on any business activity whatsoever other than the activities in connection with the Notes (such activities in connection with the Notes shall, for the avoidance of doubt, include the on-lending of the proceeds of the issue of the Notes); and

- (ii) the Issuer shall not issue any equity interest, capital stock or shares other than ordinary shares to the Guarantor or its wholly-owned Subsidiaries.
- (d) *Financial Statements etc.*: So long as any Note remains outstanding,
  - (i) the Issuer shall provide a Compliance Certificate (on which the Trustee may rely as to such compliance) within 14 days of a request by the Trustee and 180 days of the end of each Relevant Period; and
  - (ii) the Guarantor shall provide (A) a Compliance Certificate (on which the Trustee may rely as to such compliance) within 14 days of a request by the Trustee and 180 days of the end of each Relevant Period; (B) a copy of the Guarantor Audited Financial Reports within 180 days of the end of each Relevant Period prepared in accordance with PRC GAAP (audited by a nationally recognised firm of independent accountants of good repute); and (C) a copy of the Guarantor Unaudited Financial Reports within 60 days of the end of each Relevant Period prepared on a basis consistent with the Guarantor Audited Financial Reports *provided that*, if at any time the capital stock of the Guarantor is listed for trading on a recognised stock exchange, the Guarantor may provide to the Trustee, as soon as they are available but in any event not more than 14 days after any financial or other reports of the Guarantor are filed with the exchange on which the Guarantor's capital stock is at such time listed for trading, true and correct copies of any financial or other report filed with such exchange in lieu of the reports identified in this sub-paragraph (ii);

and if such statements referred to in this Condition 3(d) (*Financial Statements etc.*) shall be in the Chinese language, together with an English translation of the same translated by (x) an internationally recognised firm of accountants of good repute or (y) a professional translation service provider, and a certificate signed by a director or duly authorised officer of the Guarantor certifying that such translation is complete and accurate;

- (e) *Consolidated Net Worth of the Issuer and the Guarantor*: So long as any Note remains outstanding, each of the Issuer and the Guarantor undertakes to ensure a Consolidated Net Worth of at least US\$1.00 and CNY5,000,000,000, respectively, at all times. The Consolidated Net Worth of the Issuer and the Guarantor shall be tested by reference to the Guarantor Audited Financial Reports or, as the case may be, the Guarantor Unaudited Financial Reports, whichever is the latest available document. The Trustee is under no obligation to monitor compliance by the Guarantor with this Condition 3(e) (*Consolidated Net Worth of the Issuer and the Guarantor*) and shall not be responsible or liable to any Noteholder or any other person for not doing so; and
- (f) *Definitions*: In these Conditions:

“**Compliance Certificate**” means a certificate of each of the Issuer and the Guarantor signed by any one of their respective directors or duly authorised officers certifying that, having made due enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor (as the case may be) as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (a) no Event of Default, an event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 8 (*Events of Default*), become an Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- (b) each of the Issuer and the Guarantor has complied with all its respective obligations under the Deed of Guarantee, Trust Deed, the Notes and the Agency Agreement;

“**Consolidated Net Worth**” means, in respect of the Issuer or the Guarantor, the excess of the total assets of the Issuer or the Guarantor and its consolidated Subsidiaries over the total liabilities of the Issuer or the Guarantor and its consolidated Subsidiaries, each of “total assets” and “total liabilities” to be determined in accordance with IFRS (in the case of the Issuer) and PRC GAAP (in the case of the Guarantor) consistently applied;



“**Group**” means the Guarantor and its Subsidiaries, taken as a whole;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“**Guarantor Audited Financial Reports**” means the annual audited consolidated balance sheets, income statement, statement of changes in owners’ equity and cash flow statement of the Group together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them;

“**Guarantor Unaudited Financial Reports**” means the semi-annual unaudited and unreviewed consolidated balance sheets, income statement, statement of changes in owners’ equity and cash flow statement of the Group together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, if any;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**IFRS**” means the International Financial Reporting Standards;

“**Indebtedness**” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“**Material Subsidiaries**” mean, at any time, in the case of the Guarantor:

- (i) whose gross revenues attributable to the Guarantor (consolidated in the case of a Subsidiary which itself has Subsidiaries), as shown by its latest audited income statement are at least five per cent. of the consolidated gross revenues as shown by the latest published audited income statement of the Guarantor and its Subsidiaries include, for the avoidance of doubt, the Guarantor and its Consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests;

- (ii) whose profits before taxation and exceptional items attributable to the Guarantor (“**pre-tax profit**”) (consolidated in the case of a Subsidiary which itself has Subsidiaries), as shown by its latest audited income statement, are at least five per cent. of the consolidated pre-tax profit as shown by the latest published audited income statement of the Guarantor and its Subsidiaries, including, for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or
- (iii) whose gross assets or (in the case of a Subsidiary of the Guarantor which has subsidiaries and which customarily prepares consolidated accounts) gross consolidated assets attributable to the Guarantor as shown by its latest balance sheet are at least five per cent. or the sum of (x) the gross consolidated assets of the Guarantor and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor and its Subsidiaries, and (y) the Guarantor and its consolidated Subsidiaries’ share of the gross assets (consolidated in the case of a Subsidiary of the Guarantor which itself has Subsidiaries and which customarily prepares consolidated accounts) (as shown by its latest balance sheet (consolidated, if available)) of each Subsidiary of the Guarantor whose accounts are not consolidated with the accounts of the Guarantor and after adjustment for minority interests, provided that, in relation to paragraphs (i), (ii) and (iii) above of this definition:
  - (A) in the case of a corporation or other business entity becoming a Subsidiary of the Guarantor after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary of the Guarantor are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest accounts (consolidated in the case of a Subsidiary of the Guarantor which itself has Subsidiaries and which customarily prepares consolidated accounts) of such Subsidiary in such accounts;
  - (B) if the accounts of any Subsidiary of the Guarantor (not being a Subsidiary of the Guarantor referred to in proviso (A) above of this definition) are not consolidated with those of the Guarantor, then the determination of whether or not such subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if available) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor; and
  - (C) in relation to any Subsidiary of the Guarantor, each reference in (A) or (B) above to all or any of the accounts (consolidated or otherwise) of such Subsidiary shall be deemed to be a reference to the relevant audited accounts of such Subsidiary if it customarily prepares accounts which are audited and, if not, to the relevant unaudited accounts of such Subsidiary which shall be certified by any two directors of such Subsidiary as having been properly prepared in accordance with generally accepted accounting principles applicable to such Subsidiary; or
- (iv) to which is transferred the whole or substantially the whole of the assets of another Subsidiary of the Guarantor which, immediately prior to such transfer, was a Material Subsidiary, *provided that* the Material Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall cease to become a Material Subsidiary at the date on which the first published audited consolidated accounts of the Guarantor prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Material Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i), (ii) and (iii) above of this definition,

and a certificate signed by any two directors or duly authorised officers of the Guarantor, in their opinion, a Subsidiary is or is not, or was or was not, a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties. The certificate shall, if there is a dispute as to whether an entity is or is not a Material Subsidiary and if the Guarantor is able to procure the same by the use of its reasonable endeavours, be accompanied by a report by a nationally recognised firm of accountants of good repute addressed to the directors of the Guarantor as to proper extraction of the figures used by the Guarantor in determining the Material Subsidiaries of the Guarantor and mathematical accuracy of the calculation.

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**PRC**” means the People’s Republic of China, which, for the purposes of these Conditions, shall not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

“**PRC Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which the Hainan Branch of SAFE is open for business;

“**PRC GAAP**” means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC on 15 February 2006, and the Application Guidance for Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations issued thereafter;

“**Registration Deadline**” means the day falling 90 PRC Business Days after the Issue Date;

“**Registration Certificates**” means (a) a certificate signed by an authorised signatory of the Guarantor confirming the completion of the Cross-Border Security Registration and (b) a certified true copy of the relevant SAFE registration certificate (or any other document evidencing the completion of registration issued by SAFE) relating to such registration in (a) above of this definition and an English translation thereof, together with a certificate signed by an authorised signatory of the Guarantor certifying that such translation is complete and accurate;

“**Relevant Indebtedness**” means any present or future Indebtedness offered or issued outside the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“**Relevant Period**” means (a) in relation to each of the Guarantor Audited Financial Reports and the Guarantor’s Compliance Certificate, each period of twelve months ending on the last day of their respective financial year and (b) in relation to the Guarantor Unaudited Financial Reports, each period of six months ending on the last day of the first half financial year;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

a “**Subsidiary**” of any person means (i) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

#### 4. Interest

The Notes bear interest from 16 June 2015 (the “**Issue Date**”) at the rate of 7.25 per cent. per annum, payable semi annually in arrear on 18 December and 18 June in each year (each, an “**Interest Payment Date**”), with the first payment of interest to be made on 18 December 2015 in respect of the period from (and including) the Issue Date to (but excluding) such Interest Payment Date; *provided that* if any Interest Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing the Notes, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for each Interest Period shall be the product of (i) 7.25 per cent. per annum, (ii) CNY10,000, and (iii) the actual number of days in the Interest Period divided by 365, and rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

In these Conditions:

“**business day**”, unless otherwise defined within the context, means any day (other than a Saturday and a Sunday) on which commercial banks in Hong Kong and London are generally open for business and settlement of Renminbi payments;

“**Calculation Amount**” means CNY10,000; and

“**Interest Period**” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (and excluding) the next Interest Payment Date.

#### 5. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount in Renminbi on the Interest Payment Date falling on, or nearest to, 18 June 2018, subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:
  - (i) (A) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 9 June 2015; and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
  - (ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay Additional Tax Amounts as provided or referred to in Condition 7 (*Taxation*) or the Guarantee of the Notes, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in

the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 9 June 2015; and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

*provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Tax Amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate signed by any one director or duly authorised signatory of the Issuer stating that the circumstances referred to in (i)(A) and (i)(B) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by any one director or duly authorised signatory of the Guarantor stating that the circumstances referred to in (ii)(A) and (ii)(B) above prevail and setting out details of such circumstances; and
- (B) an opinion in form and substance satisfactory to the Trustee of independent legal or tax advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and rely upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the circumstances set out in (i)(A) and (i)(B) or (as the case may be) (ii)(A) and (ii)(B) above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 5(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b) (*Redemption for tax reasons*).

- (c) *Redemption for Relevant Event*: At any time following the occurrence of a Relevant Event, each Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all but not some only of that Noteholder's Notes on the Put Settlement Date at 101 per cent. (in the case of a Change of Control) or 100 per cent. (in the case of a No Registration Event) of their principal amount, together with accrued interest to such Put Settlement Date. To exercise such right, the Noteholder must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a "**Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 15 (*Notices*). The "**Put Settlement Date**" shall be the 14th day (in the case of a Change of Control) and the fifth day (in the case of a No Registration Event) after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Exercise Notices delivered as aforesaid.

The Issuer and the Guarantor shall give notice to Noteholders and the Trustee in accordance with Condition 15 (*Notices*) by not later than five days following the first day on which either of them becomes aware of the occurrence of any Relevant Event, which notice shall specify the procedure for exercise by Holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) (*Redemption for Relevant Event*).

In this Condition 5(c) (*Redemption for Relevant Event*),

a “**Change of Control**” occurs when:

- (a) HNA Group Co., Limited, Hainan State-owned Assets Supervision and Administration Commission of the People’s Republic of China and the Hainan Provincial Government of the People’s Republic of China, acting together, ceases to own, directly or indirectly, at least 30 per cent. of the issued share capital of the Guarantor;
- (b) any Person or Persons acting together acquires Control of the Guarantor if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Issue Date; or
- (c) the Issuer ceases to be, directly or indirectly, a wholly-owned Subsidiary of the Guarantor;

“**Control**” means (where applicable), with respect to a Person, (i) the ownership, acquisition or control of the Relevant Percentage of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly or (ii) the right to appoint and/or remove the Relevant Percentage of the members of the Person’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise. For the avoidance of doubt, a person “**Controls**” another person so long as it satisfies any of (i) or (ii) above in relation to the other person;

a “**No Registration Event**” occurs when the Registration Certificates are not delivered to the Trustee on or before the Registration Deadline;

a “**Person**”, as used in this Condition 5(c) (*Redemption for Relevant Event*), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

a “**Relevant Event**” will be deemed to occur if:

- (a) there is a Change of Control; or
- (b) there is a No Registration Event; and

“**Relevant Percentage**” means, in the case of Control over the Guarantor, not less than 20 per cent.

- (d) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 5(a) (*Scheduled redemption*) to 5(c) (*Redemption for Relevant Event*) above.
- (e) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.
- (f) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.

## 6. Payments

- (a) *Principal*: Payments of principal shall be in Renminbi made by transfer to a Renminbi account maintained by the payee and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest*: Payments of interest shall be made in Renminbi by transfer to a Renminbi account maintained by the payee and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

*Notwithstanding the foregoing, so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

- (c) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (e) *Record date*: Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar’s Specified Office on the fifteenth business day before the due date for such payment.

## 7. **Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or the British Virgin Islands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. Where such withholding or deduction is made by the Issuer or the Guarantor as a result of the Issuer or the Guarantor, as the case may be, being deemed by PRC tax authorities to be a PRC tax resident at the rate of up to (and including) 10 per cent. (the “**Applicable Rate**”), the Issuer or the Guarantor, as the case may be, will pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

In the event that the Issuer or the Guarantor is required to make a deduction or withholding (i) by or within the PRC in excess of the Applicable Rate; or (ii) by or within the British Virgin Islands, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note:

- (a) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note;
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive;

- (c) held by a Holder who would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another Paying Agent in a member state of the European Union;
- (d) held by a Holder who would have been able to avoid such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such Holder fails to do so within any applicable period prescribed by such relevant tax authority; or
- (e) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such Additional Tax Amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, “**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any Additional Tax Amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the British Virgin Islands or the PRC respectively, references in these Conditions to the British Virgin Islands or the PRC shall be construed as references to the British Virgin Islands or (as the case may be) the PRC and/or such other jurisdiction.

## 8. Events of Default

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest (if any) without further action or formality:

- (a) *Non-payment*: there is a failure to pay any amount of principal in respect of the Notes on the due date for payment thereof or a failure to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Guarantee and the Trust Deed and such default (i) is incapable of remedy or (ii) being a default which is capable of remedy but remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer or the Guarantor (as the case may be); or
- (c) *Cross-default of Issuer, Guarantor or Subsidiaries of Guarantor*:
  - (i) any Indebtedness of the Issuer, the Guarantor or any Subsidiary of the Guarantor is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or the relevant Subsidiary of the Guarantor (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or



- (iii) the Issuer, the Guarantor or any Subsidiary of the Guarantor fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

*provided that* the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds CNY100,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) for the payment of an aggregate amount in excess of CNY30,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any Subsidiary of the Guarantor continue(s) unsatisfied and unstayed for a period of 45 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary of the Guarantor and such action is not discharged within 45 days after the date thereof; or
- (f) *Insolvency, etc.*: (i) the Issuer, the Guarantor or any Subsidiary of the Guarantor becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, the Guarantor or any Subsidiary of the Guarantor or the whole or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Subsidiary of the Guarantor, (iii) the Issuer, the Guarantor or any Subsidiary of the Guarantor takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of Indebtedness given by it or (iv) the Issuer, the Guarantor or any Subsidiary of the Guarantor ceases or threatens to cease to carry on all or any substantial part of its business, except in the case of any Subsidiary of the Guarantor, where the cessation is for the purpose of and followed by a solvent winding up, dissolution, reconstruction, amalgamation, merger or consolidation whereby the business, undertaking and assets of such Subsidiary of the Guarantor are transferred to or otherwise vested in the Issuer, the Guarantor, and/or another Subsidiary of the Guarantor; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any Material Subsidiary of the Guarantor, except (i) in the case of any Material Subsidiary, for the purpose of and followed by a solvent winding up, dissolution, reconstruction, merger or consolidation whereby the business, undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor and/or another Material Subsidiary of the Guarantor or (ii) on terms approved by an Extraordinary Resolution of the Noteholders; or
- (h) *Failure to take action, etc.*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes, the Deed of Guarantee, the Trust Deed and the Agency Agreement, (ii) to ensure that those obligations are legal, valid, binding and enforceable, and (iii) to make the Note Certificates, the Deed of Guarantee, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Hong Kong and the PRC is not taken, fulfilled or done; or
- (i) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of their respective obligations under or in respect of the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement; or
- (j) *Government intervention*: (i) all or any material part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary of the Guarantor is condemned,

seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Issuer, the Guarantor or any Material Subsidiary of the Guarantor is prevented by any such person from exercising normal control over all or any material part of its undertaking, assets and revenues; or

- (k) *Guarantee not in force*: the Guarantee of the Notes or the Cross-Border Security Registration shall cease to be in full force or effect or (in the case of the Cross-Border Security Registration) revoked, or the Guarantor shall deny or disaffirm its obligations under the Guarantee of the Notes; or
- (l) *Analogous event*: any event occurs which under the laws of Hong Kong or the PRC has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (k) (*Guarantee not in force*) above.

## 9. Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years (in the case of principal) and five years (in the case of interest) of the appropriate Relevant Date.

## 10. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

## 11. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or provided with security and/or pre-funded and relieved from responsibility in certain circumstances and to be paid its fees, costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor, and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions, the Deed of Guarantee and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or principal paying agent and additional or successor paying agents and transfer agents; *provided, however, that* the Issuer and the Guarantor shall at all times maintain (a) a principal paying agent and a registrar, and (b) a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC (if required).

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that the Note Certificate(s) representing such Notes is exchanged for individual Note Certificates. In addition, in the event

that the Note Certificate(s) is exchanged for individual Note Certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual Note Certificates, including details of the paying agent in Singapore.

## 12. Meetings of Noteholders, Modification and Waiver

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions, the Deed of Guarantee, the Agency Agreement or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to effect the exchange, conversion or substitution of the Notes for other obligations or securities, to amend Condition 3 (*Covenants*), to cancel or amend the terms of the Deed of Guarantee, the Agency Agreement in each case otherwise than in accordance with Condition 12(b) (*Modification and waiver*) or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than 90 per cent. of the aggregate principal amount of the Notes outstanding who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions, the Deed of Guarantee, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Any such authorisation, waiver or modification shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

- (c) *Directions from Noteholders:* Notwithstanding anything to the contrary, the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement, whenever the Trustee is required or entitled by the terms of contrary in the Notes, the Deed of Guarantee, the Trust Deed or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any

such direction or certification, to seek directions from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions.

- (d) *Certificates and Reports*: The Trustee may rely without liability to Noteholders on a report, confirmation, opinion or certificate or any advice of any lawyers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, opinion or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee and the Noteholders. The Trustee will not be responsible to anyone for any liability occasioned by so acting.

### 13. Enforcement

The Trustee may at any time, at its absolute discretion and without notice, institute such actions, steps and proceedings as it thinks fit to enforce its rights under the Deed of Guarantee, the Trust Deed or the Agency Agreement in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or pre-funded to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

### 14. Further Issues

Subject to compliance with Condition 3(b) (*Registration with SAFE*), the Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time create and issue other series of notes having the benefit of the Trust Deed, *provided that* such supplemental documents are executed and further opinions are obtained as the Trustee may require, as further set out in the Trust Deed.

### 15. Notices

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

*Until such time as any individual Note Certificates are issued and so long as the Global Note Certificate is held in its entirety on behalf of Euroclear and Clearstream, Luxembourg any notice to the Noteholders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.*

### 16. Currency Indemnity

If any sum due from the Issuer or the Guarantor in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer or the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or

(c) enforcing any order or judgment given or made in relation to the Notes, the Issuer and the Guarantor shall indemnify the Trustee and each Noteholder, on the written demand of the Trustee or such Noteholder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which the Trustee or such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each of the Issuer and the Guarantor and shall give rise to a separate and independent cause of action.

## 17. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Notes, the Deed of Guarantee, the Trust Deed and the Agency Agreement are governed by Hong Kong law.
- (b) *Jurisdiction*: Each of the Issuer and the Guarantor has (as the case may be) in the Deed of Guarantee, the Trust Deed and the Agency Agreement (i) agreed that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes or such documents; and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (c) *Waiver of immunity*: To the extent that each of the Issuer and the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), each of the Issuer and the Guarantor agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

*The Global Note Certificate contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions.*

The Notes will be represented by a Global Note Certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg. The original global note certificate which represents the principal amount of the Existing Notes will be withdrawn from Euroclear and Clearstream and cancelled at the same time as the Global Note Certificate is deposited with the common depository.

Under the Global Note Certificate, the Issuer, for value received, will promise to pay such principal sum to the Holder on 18 June 2018 or on such earlier date or dates as the same may become payable in accordance with the Terms and Conditions of the Notes, and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Terms and Conditions of the Notes, together with any additional amounts payable in accordance with the Terms and Conditions of the Notes, all subject to and in accordance with the Terms and Conditions of the Notes.

The Global Note Certificate will become exchangeable in whole, but not in part, for individual note certificates (the “**Individual Note Certificates**”) if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Noteholder of the Global Note Certificate, Euroclear and/or Clearstream, Luxembourg to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names such Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Note Certificate at the Specified Office (as defined in the Terms and Conditions of the Notes) of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Noteholder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Note Certificate will contain provisions that modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

**Payment Record Date:** Each payment in respect of the Global Note Certificate will be made to the person shown as the Noteholder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

**Exercise of put option:** In order to exercise the option contained in Condition 5(c) (*Redemption for Relevant Event*) (the “**Put Option**”), the Noteholder must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note Certificate and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

**Notices:** Notwithstanding Condition 15 (*Notices*), so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”), notices to Noteholders represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System.

## **USE OF PROCEEDS**

The net proceeds of the issue of the New Notes expected to amount to approximately CNY297.8 million after deduction of the combined management and underwriting commission and the other expenses incurred in connection with the issue of the New Notes, will be used by the Guarantor for general corporate purposes.

## CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets forth the capitalisation and indebtedness of the Guarantor as 31 December 2014 and as adjusted to give effect to the issue of the Existing Notes issued on 16 June 2015 at an issue price of 100.00 per cent. and the New Notes to be issued at an issue price of 100.00 per cent. before deduction of any fees, commissions and expenses. The following table should be read in conjunction with the Guarantor's financial statements and related notes included in this Offering Circular.

	As at 31 December 2014	
	Actual	As adjusted
	(RMB in millions)	
Short-term borrowings		
— Short-term borrowings .....	1,581.0	1,581.0
Long-term borrowings		
— Long-term borrowings .....	2,143.9	2,143.9
— bonds payable .....	3,393.6	3,393.6
— Existing Notes in issue .....	—	600.0
— New Notes to be issued .....	—	300.0
<b>Total long-term borrowings</b> .....	<b>5,537.5</b>	<b>6,437.5</b>
<b>Total equity</b> .....	<b>7,084.0</b>	<b>7,084.0</b>
<b>Total capitalisation<sup>(1)</sup></b> .....	<b>12,621.5</b>	<b>13,521.5</b>

(1) Total capitalisation equals total long-term borrowings plus total equity.

On 5 January 2015, the Guarantor issued corporate bonds due 2017 with an aggregate principal amount of approximately RMB500 million.

Other than as disclosed above and the increase in total equity derived from the increase in market value of the shares of public companies held by the Group, there has been no material change in the capitalisation and indebtedness of the Guarantor since 31 December 2014.



## **DESCRIPTION OF THE ISSUER**

### **GENERAL**

The Issuer of the Notes, Haikou Meilan International Airport Investment Limited, was incorporated on 14 May 2015 under the laws of the British Virgin Islands as a company limited by shares and its registration number is 1874020. The registered office of the Issuer is located at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands.

### **BUSINESS ACTIVITY**

The objects for which the Issuer was established are, pursuant to its Memorandum of Association, unrestricted and include acting as a financing vehicle. Other than acting as a financing vehicle for the proposed issue of the Notes and the authorisation and execution of documents and agreements referred to in this Offering Circular to which it is or will be a party, the Issuer has no other operations.

### **DIRECTORS**

The sole director of the Issuer is Zhang Peihua.

### **CAPITALIZATION**

The Issuer is authorized to issue a maximum of 50,000 shares of one class of no par value. One share has been issued and paid up and is held by Haikou Meilan International Airport Company Limited. The Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unused), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities from unrelated third parties apart from the CNY600 million 7.25 per cent. guaranteed notes due 2018 as at the date of this Offering Circular.

### **FINANCIAL INFORMATION**

As at the date of this Offering Circular, save for the issue of the Notes and other activities reasonably incidental thereto, the Issuer has no business nor assets and therefore, it has not prepared any financial information since its incorporation.

### **LEGAL PROCEEDINGS**

The Issuer is not involved in any litigation or arbitration proceedings, and it is not aware of any pending or threatened action against it.

## DESCRIPTION OF THE GROUP

### OVERVIEW

The Group operates Meilan Airport, the main gateway to the Hainan Island. Trial operations at Meilan Airport commenced on 28 March 1999 and commercial operations commenced on 25 May 1999. Meilan Airport is located approximately 20 kilometres southeast of Haikou, the provincial capital of Hainan Province. It has one runway, one airport terminal and one cargo centre. The runway has been constructed in accordance with ICAO category 4E standards and is capable of accommodating landing and takeoff of large commercial airliners. The airport terminal has an annual handling capacity of approximately 15.0 million passenger arrivals and departures. In 2014, Meilan Airport was named the 19th busiest airport in the PRC in terms of passenger throughput and cargo throughput.

The Group engages in aeronautic and non-aeronautic businesses. Its aeronautic business includes provision of terminal facilities, passenger and cargo service facilities, ground handling services, aircraft fuelling facilities and sale of aviation fuel. Its non-aeronautical business includes leasing of commercial and retail spaces at Meilan Airport, air catering services franchising, leasing of advertising spaces at the airport, car parking services at the airport, tourism services, and licensing of duty-free shops.

The Group's major subsidiary, HNA Infrastructure Company Limited (formerly Hainan Meilan International Airport Company Limited), is listed on the Hong Kong Stock Exchange (Stock Code: 357). HNA Infrastructure Company Limited's principal business is the management and operation of Meilan Airport. The Guarantor's other subsidiaries include Hainan Meiya Industrial Co., Ltd., which engages in the sale of aviation fuel and provides aircraft fuelling services at Meilan Airport and Hainan Meilan International Airport Cargo Co., Ltd., which provides cargo handling services at Meilan Airport.

As at 31 December 2014, the Group's airline customers included 26 domestic airlines, 10 international airlines and 4 regional airlines. These airlines operated 138, 159 and 193 total flight routes for the years ended 31 December 2012, 2013 and 2014, respectively. As at the date of this Offering Circular, these airlines operate 174 domestic routes, 17 international routes and 3 regional routes to and from Meilan Airport. The routes reach 80 destinations in China, 13 destinations internationally and 3 destinations regionally. Meilan Airport is the home base for Hainan Airlines.

### RECENT FINANCIAL INFORMATION

As at 31 December 2013 and 2014, the Group had total assets of approximately CNY13.7 billion, and CNY17.1 billion respectively. For each of the years ended 31 December 2013 and 2014, the Group recorded total revenue of approximately CNY3.4 billion, and CNY3.7 billion, respectively and a net profit of approximately CNY390.9 million and CNY343.1 million, respectively. Details of the financial information of the Group are set out in sections entitled "*Index to Financial Statements*" in this Offering Circular.

### KEY STRENGTHS

#### **Strong support from major shareholders including HNA Group and the Chinese government**

The Group receives strong support from its shareholders and the PRC government. Since the Group's incorporation, it has maintained strategic relationships with its beneficial shareholders, including the HNA Group, indirectly holding approximately 13.9% equity interest in the Guarantor, the Hainan Provincial Government, indirectly holding approximately 20.5% equity interest in the Group through Hainan Development Holdings Co., Ltd., and the Gansu Provincial Government, indirectly holding approximately 19.6% equity interest in the Group through Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd.

The Group believes that it enjoys strong support and benefits through its strategic relationship with the government. As the strategic platform for developing tourism in Hainan, the Group has the support of CAAC in developing its flight routes. The Group also receives subsidies from the Haikou Municipal Government for increasing in passenger throughput and for improvement of airport facilities. With strong government support, the Group has been able to achieve operational and financial growth.

The Group also enjoys strong support from HNA Group. A number of HNA Group's subsidiary airline companies have flight routes connected to Meilan Airport, including Hainan Airlines, Beijing Capital Airlines, Tianjin Airlines, Urumqi Airlines, West Air, Lucky Air and Hong Kong Airlines. Hainan Airlines Company Limited, a subsidiary of HNA Group, has its base established at Meilan Airport. In addition, the Group has various areas of cooperation with HNA Group. For example, the Terminal Complex construction project of Meilan Airport has appointed Yangpu Guoxing Engineering Construction Co., Ltd., a subsidiary of HNA Group, as general contractor; the Group has licensed the air catering services at Meilan Airport to Hainan Airline Catering Company Limited, a subsidiary of HNA Group; and HNA Group Finance Co., Ltd, a subsidiary of HNA Group, provides financial services, settlement services and credit facilities to the Group. The Group has been able to develop its business effectively by maintaining a close business relationship with HNA Group.

HNA Group is a leading conglomerate in China that holds a diversified and complementary portfolio of related industries. For instance, HNA Group operates 18 airline companies and is one of the major airline groups in China. It is also the largest Chinese domestic aircraft leasing company and the 10th largest internationally. HNA Group's subsidiary, HNA Tourism Group Co., Ltd., ranked 6th among Chinese travel agencies and serves approximately 30 million tourists per year. HNA Group also manages the Tangla Hotels and the Henna Cruise in Hainan. The Group believes that it can benefit from HNA Group's aviation business and businesses in Hainan by engaging in new business collaborations with HNA Group. Besides, thanks to the nature of its operation and its localisation, the Group can take advantage of the synergies created among the different entities in HNA Group.

### **Advantageous geographical location**

As the capital city, Haikou is the centre of economic, cultural and political activities of Hainan Province. Meilan Airport, situated approximately 20 kilometres southeast of Haikou, is well positioned to capture the economic benefits of Haikou's status as the most populous city of Hainan province. It is a gateway airport for people travelling to and from Hainan Province, and it is the largest international airport within the province. Currently, the only other mode of transportation linking Hainan Island with the mainland is sea transportation. Aviation is a sensible transport solution and choice for connecting the island with the rest of China.

The Hainan Eastern Ring High-Speed Railway opened in December 2010. The railway connects Meilan Airport from the northern end of Hainan to Sanya, the main tourist location at the southern region of Hainan province. With a total travel time of 85 minutes, the Hainan Eastern Ring High-Speed Railway greatly increased the demand of tourists to travel into Hainan through Meilan Airport.

### **Preferential policies from government authorities**

Hainan is the largest special economic zone and the largest tropical island in China. As a special economic zone, it enjoys relaxed restrictions on foreign capital investments, for example, foreign investors are allowed to purchase and manage as shareholders Hainan-based state-owned enterprises and certain foreign-invested enterprises incorporated in Hainan are exempted from local taxes. The province also receives substantial support from the PRC government on economic and tourism development. In 2009, the State Council made a declaration labelling Hainan as a province for strategic development. Meilan Airport enjoys certain favourable regulations, government subsidies and tax incentives, such as:

- Ministry of Public Security has allowed visa-free entry into Hainan for tourists from 21 countries since 2009.
- In 2009, State Council announced the development of Hainan as a major international tourist location, to create Hainan International Tourism Island.
- State Council encourages the development of civil aviation by strengthening airport planning and construction, while encouraging civil aviation enterprises listing and the issuance of bonds and medium-term notes.
- In 2003, CAAC started the trial of open traffic rights and approved Hainan to be one of the pilot areas.
- In 2013, CAAC declared its willingness to develop Haikou as a regional airport hub in order to support the strategy of internationalization of Hainan and the development of tourism in the region.

- Haikou Municipal Government provides subsidies for airline companies landing at Meilan Airport. In May 2014, the Haikou Municipal Government granted approximately CNY129.7 million cash subsidies to 45 airline companies.
- Haikou Municipality encourages the development of Meilan Airport. Since the beginning of 2014, the number of travelers has increased by 8%, as such the Municipal Government granted an incentive of CNY3.0 million and will add CNY1.0 million for each additional percentage point of increase. It supports the steady growth of Meilan Airport with the objective for it to remain the most important airport of the province.

In March 2015, the PRC government announced the “One Belt, One Road” initiative. The initiative placed Haikou as a strategic coastal city for the PRC’s economic and trade development at the South China Sea, the Indian Ocean and the South Pacific.

### **Strong growth of the tourism industry in Hainan**

Hainan Island is the largest tropical island of China. The well-known beaches and other tourist attractions, such as the Sanya Bay and the Haikou Volcanic Cluster Geopark, have made Hainan Island one of the top tourist destinations in China attracting both domestic and international visitors. Demand for air travel to Hainan is increasing along with Hainan’s popularity as a resort destination. The development of tourism industry in Hainan has always received strong support from the government. In 2009, the State Council announced the plan to develop Hainan International Tourism Island by 2020. Hainan’s tourism revenue was CNY37.9 billion, CNY42.9 billion and CNY50.7 billion for the years 2012, 2013 and 2014, respectively, showing an annual growth rate of 15.7%. Below are some of the major tourism development projects in Hainan:

- Hainan Aerospace Theme Park — based on a blueprint to become the first ever aerospace tourist spot in China and even the Asian region, covering a site area of 403 hectares and a gross floor area of approximately 253 hectares with a total investment of CNY7.0 billion. According to the project plan, it will be “China’s only and internationally advanced” theme park “featuring aerospace culture and island style”. The theme park will be built adjacent to the Satellite Launch Centre in Wenchang. Currently, the project resettlement has been nearly completed. It is expected to commence construction in the end of 2015 and complete within two or three years.
- Mission Hill • Lan Kwai Fong • Haikou — a large-scaled integrated project of leisure and entertainment jointly created by Mission Hill Group and the internationally renowned model entertainment brand Lan Kwai Fong Group. The project is expected to inaugurate in the third quarter of 2015. Covering a gross floor area of 240,000 m<sup>2</sup>, the project consolidates shopping, entertainment, food and beverage and culture in a single complex with a total investment amounting to more than CNY2.0 billion.
- Hainan Sino-Thai Cultural Resort — a joint investment project of CNY6.0 billion by China and Thailand, the resort will commence construction in 2015. The project will be presented as a gift to celebrate the 40th anniversary of the diplomatic relationship between China and Thailand and as a model of the “21st century marine silk road”.

### **Well-maintained runway and advanced facilities**

The terrain where Meilan Airport is located is flat and wide, making it a suitable site for an airport. There is adequate land supply for future expansion. The runway of Meilan Airport was designed according to ICAO category 4E standards. It is 3,600-metre long, 44% longer than the ICAO specification of 2,500 metres as the required length for accommodating the maximum gross weight takeoff requirements of Boeing 747-400 aircraft. The runway’s precision instrument markings, lighting and taxiways are all constructed according to ICAO category 4E standards. The category II precision instrument landing system at the west approach (the primary approach used by the majority of flights) provides for aircraft operations with 30-metre decision height and visibility distance of 400-metre while the category I precision instrument landing system at the east approach provides for 60-metre decision height and 800-metre visibility distance. Such high standards of the runway enables Meilan Airport to service larger and new generation aircrafts, and to establish longer international flight routes. This will increase the number of airlines landing in Meilan Airport and thus, increase throughput.

Meilan Airport is also equipped with facilities required for an international airport, including a flight information system, an automatic baggage handling system, radar systems for air traffic control and weather monitoring, an aircraft repair and maintenance hangar and aviation fuel supply facilities.

### **Steady financial policy and diversified funding resources**

The Group has implemented prudent financial policies to ensure a healthy financial profile and stable cash flow. As at 31 December 2013 and 2014, the total amount of cash and cash equivalents was approximately CNY3.7 billion and CNY2.8 billion, respectively. The Group has an independent and professional management control system that encompasses its financial management of entire business process, including capital, liquidity risk management and investment. The Group has implemented a comprehensive foreign exchange management system, utilising hedging transactions to mitigate the Group's foreign exchange exposure.

The Group funds its operations through a variety of sources, including equity financing and issuances of corporate bonds and commercial paper. For example, the Group raised approximately CNY1.6 billion in medium term notes offerings in 2011, and raised a total amount of approximately CNY2.0 billion in private placement notes in 2012 and 2014. As of the date of this Offering Circular, the Group has six outstanding bond offerings for a total of CNY3.9 billion.

The Group has also established relationships with many domestic and international financial institutions, including Deutsche Bank, Société Générale, China Development Bank, China Construction Bank, Bank of Communications and Bank of China. In 2013, the Group obtained an offshore syndicated loan of US\$250 million from 14 financial institutions. In 2014, China Development Bank provided to the Group a CNY590 million, 14-year project loan for Meilan Airport's terminal expansion; China Development Bank also acted as an underwriter for a CNY500 million private placement debt issued by the Group. As at 31 December 2014, the Group had approximately CNY2.7 billion and US\$322.5 million credit facilities available, of which CNY2.4 billion and US\$277.0 million have been utilised, respectively. The banks have consistently extended the Group additional credit lines, reflecting a positive view on the Group's prospects. Strong relationships with financial institutions has also strengthened the Group's investment capability.

Through effective management of liquidity and funding sources, the Group seeks to maximize returns and value for its businesses to ensure long-term sustainable profitability and stability.

### **Market oriented management team**

The Guarantor has adopted a flexible management structure focusing on performance rather than seniority. The management comprises a number of young but experienced professionals who are familiar with modern corporate management style. This is complemented by the senior management team of the Guarantor which has considerable experience in the civil aviation industry in China, including China's leading airlines, airports and the aviation regulators. The Guarantor's President, Mr. Liang Jun possesses over 30 years of management experience in the aviation and airport industry. The Guarantor's board members and senior management teams are commercially-oriented and have proven their ability to capitalise on opportunities to maximise profitability and improve cost efficiency and synergy. The teams have led the Guarantor through each economic cycle and transformed Meilan Airport into an international airport.

## **STRATEGIES**

The short- to medium-term strategic objectives of the Group are to grow Meilan Airport, by 2020, as one of the key airport in China and a regional aviation hub to spur the PRC's economic and trade development with the South-East Asian region, have three to five international and domestic airlines based at the airport with an annual passenger handling capacity of 23.5 million, and to offer convenient transit services, bustling shopping experience and improved logistic network as a regional hub.

The long-term strategic objective of the Group is to turn Meilan Airport, by 2030, into a large size airport with annual passenger handling capacity of over 30 million.

### **Explore new market potentials**

The Group will continue to maintain government support which incentivises airline companies to set up flight routes at Meilan Airport, through which, the Group will expand its aviation market, especially deploying much more effort in the second- and third-tier cities. The Group will increase its investment in the Haikou market and further improve its network of route distribution. While trying

to increase new domestic navigation points, the Group will attract airlines to set up overnight base in Haikou. Tianjin Airlines will set up a local branch at Meilan Airport in 2015, making it the third airline company, in addition to Hainan Airlines and China Southern Airlines, to be stationed at Meilan Airport. The Group will further promote the main tourist spots and routes in the northern area of Hainan by fully leveraging on the traditional media and electronic media including the official website of the airport, Weibo and Weixin, so as to increase its share in the air transportation market and turning Meilan Airport into a regional aviation hub in southern China.

### **Focus on and continue to develop the duty-free business**

The Group will continue to improve the income generating capacity of the terminal buildings, further increase the business area of offshore duty-free shop while optimising the layout of service functions, and strive to improve the overall sales floor efficiency. The duty-free business will grow along with the second expansion phase of Meilan Airport, the expansion of the West Gallery and the renovation of current terminal buildings. The expansion will increase the duty-free shops area by approximately 6,000 m<sup>2</sup>. The Group will enrich its duty-free business model through development of commercial trading companies, e-commerce platforms, cellular hotels and other innovative projects, thereby enhancing the business model and promoting the income-generating capacity of Meilan Airport. The Group charges the duty-free shops a license fee of 20% of the duty-free shops' sales revenues, which makes the duty-free shop business very cost effective to the Group.

### **Continue to expand airport terminal and facilities**

The tourism industry in Hainan has been growing fast, and the trend is expected to continue. The number of tourists visiting Hainan annually was approximately 33.2 million, 36.7 million and 47.9 million in 2012, 2013 and 2014, respectively. The Hainan International Tourism Island project, promulgated by the State Council, was set to expand Hainan's tourism industry up to 2020. In anticipation of the increasing demand for air travel to and from Hainan, the Group will continue to expand the airport terminal and its airport facilities. The main civil work and the facade construction of the West Gallery project, which covers an area of 25,900 m<sup>2</sup>, have been completed and are undergoing final stage of decoration. The west apron construction project with a road area of 110,000 m<sup>2</sup> has been inspected, approved and commenced operation in February 2015, which brought an addition of 11 aprons for Meilan Airport. In addition, the second phase expansion project of Meilan Airport has been approved by the National Development and Reform Commission ("NDRC"). The second phase expansion consists of a new 3,600 meter long runway and a new terminal with a total floor area of 290,000 m<sup>2</sup>. The new runway and terminal will increase Meilan Airport's annual passenger handling capacity to 30 million passengers and annual cargo handling capacity to 300,000 tonnes.

### **Develop hotel and catering businesses**

The construction of the terminal complex is expected to be completed by the end of 2015. The eastern wing of the terminal complex will operate as a luxury hotel, providing about 800 hotel rooms. The western wing of the terminal complex will offer various culinary options, including theme restaurants and specialty restaurants. The convenience and comprehensive services provided by the terminal complex will be attractive to airline crew members staying overnight and travellers in transit. The hotel and catering businesses at the terminal complex will create new income-generating sources for the Group.

## **HISTORY AND DEVELOPMENT**

The following table sets forth the key milestones in the Group's development:

<b>Year</b>	<b>Events</b>
1998 .....	• The Guarantor was established.
1999 .....	• Meilan Airport commenced operation.
2000 .....	• HNA Infrastructure Company Limited (formerly Hainan Meilan International Airport Company Limited) was established.
2002 .....	• HNA Infrastructure Company Limited was listed on the Hong Kong Stock Exchange (Stock Code: 357).

Year	Events
2004 .....	<ul style="list-style-type: none"> <li>Phuket Air flight 9R8324 flew from Bangkok to Haikou, being the first international flight at Meilan Airport.</li> </ul>
2005 .....	<ul style="list-style-type: none"> <li>Completed construction of the airport terminal and apron expansion projects.</li> </ul>
2006 .....	<ul style="list-style-type: none"> <li>The Group entered the debt capital market in the PRC.</li> </ul>
2007 .....	<ul style="list-style-type: none"> <li>Being the first in the PRC to hold the “Routes Asia” conference.</li> </ul>
2008 .....	<ul style="list-style-type: none"> <li>Meilan Airport was awarded the Golden Cup for Aviation Safety by CAAC.</li> </ul>
2010 .....	<ul style="list-style-type: none"> <li>Won the “Outstanding Contribution Award of the Airport Council International Global Director General”.</li> <li>Hainan Meilan International Airport Cargo Co., Ltd. was established.</li> </ul>
2011 .....	<ul style="list-style-type: none"> <li>Named by Skytrax as the 2nd “4-Star Terminal” in China and 9th in the world.</li> <li>Passenger throughput reached 10 million.</li> <li>Began construction of the West Gallery expansion project.</li> </ul>
2013 .....	<ul style="list-style-type: none"> <li>The new international terminal commenced operation.</li> <li>Won the “Green Benefit Enterprise - Best Practice Award” at the 6th United Nations World Economic and Environment Conference.</li> </ul>
2014 .....	<ul style="list-style-type: none"> <li>Began construction of the Terminal Complex project.</li> <li>Won the Skytrax “(China) Regional Best Airport Award” and “(China) Regional Best Airport Staff Award”.</li> <li>Named by Skytrax as the 2nd “5-Star Terminal” in China and 6th in the world.</li> <li>Won the “Airport Service Quality Award - Best Airport by Size: 5-15 Million Passengers”</li> </ul>

## PRINCIPAL BUSINESSES

The following table sets forth the five segments of the Group’s principal businesses:

Business	Description
Airport Terminal Facilities and Ground Handling Services .....	Passenger charges and charges to airlines for the use of airport facilities
Aviation Fuel .....	Sale of aviation fuel through aircraft fuelling services
Leasing Services .....	Leasing office space and commercial space at the terminal
Franchising and Other Services..	Franchising of airport related services, car parking services, VIP services etc.
Civil Aviation Development Fund Refund.....	Refund from CAAC for airport fees collected from outbound passengers

The following table sets forth the revenues of each of the Group's business segments for the years 2013 and 2014:

	Revenue for the Year ended 31 December			
	2013		2014	
	RMB	%	RMB	%
<b>Business</b>	<b>(in millions, except for percentages)</b>			
Airport Terminal Facilities and Ground Handling Services.....	485.7	14.2%	546.8	15.0%
Aviation Fuel.....	2,496.5	72.8%	2,557.5	70.0%
Leasing Services.....	39.3	1.1%	45.6	1.2%
Franchising and Other Services.....	271.1	7.9%	343.4	9.4%
Civil Aviation Development Fund Refund.....	138.6	4.0%	160.6	4.4%
<b>Total</b> .....	<b>3,431.2</b>	<b>100.0%</b>	<b>3,653.9</b>	<b>100.0%</b>

The following table sets forth the gross profits of each of the Group's business segments for the years 2013 and 2014:

	Gross Profit for the Year ended 31 December			
	2013		2014	
	RMB	%	RMB	%
<b>Business</b>	<b>(in millions, except for percentages)</b>			
Airport Terminal Facilities and Ground Handling Services.....	107.1	16.2%	95.4	12.8%
Aviation Fuel.....	103.9	15.8%	100.3	13.5%
Leasing Services.....	68.4	10.4%	45.6	6.1%
Franchising and Other Services.....	241.9	36.7%	343.4	46.1%
Civil Aviation Development Fund Refund.....	138.6	21.0%	160.6	21.6%
<b>Total</b> .....	<b>659.9</b>	<b>100%</b>	<b>745.3</b>	<b>100%</b>

#### Airport Terminal Facilities and Ground Handling Services

The Group provides terminal facilities and ground handling services, passenger and cargo handling services for scheduled and non-scheduled flights at Meilan Airport.



The following table sets out a breakdown of the Group's revenues and percentages of total revenues from charges related to airport terminal facilities and ground handling services for the years 2013 and 2014:

	Revenue for the Year ended 31 December			
	2013		2014	
	RMB	%	RMB	%
<b>Business</b>	(in millions, except for percentages)			
Passenger charges .....	243.4	7.1%	273.9	7.5%
Ground handling services fees.....	158.3	4.7%	176.5	4.8%
Aircraft movement fees and related charges .....	84.0	2.4%	96.5	2.6%
<b>Total</b> .....	<u>485.7</u>	<u>14.2%</u>	<u>546.8</u>	<u>15.0%</u>

The following table sets out the annual increase in aircraft movements, passenger throughput and cargo, mail and baggage throughput of Meilan Airport for the years 2012, 2013 and 2014:

	For the Year ended 31 December			% Increase from Previous Year	
	2012	2013	2014	2013	2014
	Aircraft movements.....	87,247	94,434	105,861	8.2%
Passenger throughput (thousands).....	10,696.7	11,935.5	13,853.9	11.6%	16.1%
Cargo, mail and baggage throughput (tonnes) .....	175,365	196,301	217,714	11.9%	10.9%

### **Passenger charges**

Airlines companies are required to pay the Group fees for the use of terminal facilities by their passengers. Passenger charges are automatically included in the cost of a passenger's ticket and the Group issues invoices for those charges to each airline on a weekly basis and the Group records an account receivable for the invoice corresponding to a flight during the actual month of the flight. Pursuant to the agreement which the Group signs with all its airline customers, the Group's airline customers are required to pay no later than 7 days after invoice delivery date. In 2014, on a weighted-average basis, the Group generally has received payment within 60 to 90 days. Passenger charges fees are prescribed by CAAC jointly with NDRC.

For the two years ended 31 December 2013 and 2014, passenger charges received by the Group were approximately CNY243.4 million and CNY273.9 million, respectively, representing 7.1% and 7.5% of total revenues, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from passenger charges were approximately CNY62.8 million and CNY57.6 million, respectively, representing 9.5% and 7.7% of total gross profits, respectively.

### **Ground handling services fee**

The Group provides general ground handling services at Meilan Airport including passenger transport, baggage, cargo and mail handling, aircraft turnaround maintenance, cabin cleaning and waste disposal. The ground handling fees are set by CAAC in conjunction with NDRC and vary according to aircraft's size. There are two scales of charges, one applicable to domestic airlines and the other applicable to foreign, Hong Kong and Macau airlines.

For each of the two years ended 31 December 2013 and 2014, ground handling services fees received by the Group were approximately CNY158.3 million and CNY176.5 million, respectively, representing 4.7% and 4.8% of total revenues, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from ground handling services fees were approximately CNY33.8 million and CNY28.8 million, respectively, representing 5.1% and 3.9% of total gross profits, respectively.

### ***Aircraft movement fees and related charges***

Regular aeronautical services at Meilan Airport include the provision of airfield facilities, ramp control and provision of emergency rescue services and provision of runway and related services such as maintenance of the runway, taxiways and maintenance of lighting system. The Group charges airline companies for the usage of these services.

Aircraft movement fees are prescribed by CAAC jointly with NDRC and vary according to aircraft's weight categories and, in respect of those charges against domestic airlines only, the class of the relevant airports. There are two scales of charges, one applicable to domestic airlines and the other applicable to foreign, Hong Kong and Macau airlines.

In addition to aircraft movement fees, airlines are also required to pay related charges such as night, peak hour and lighting surcharges, aircraft parking and air bridge fees and security fees.

For the two years ended 31 December 2013 and 2014, aircraft movement fees and related charges received by the Group were CNY84.0 million and CNY96.5 million, respectively, representing 2.4% and 2.6% of total revenues, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from aircraft movement fees and related charges were approximately CNY10.5 million and CNY9.0 million, respectively, representing 1.6% and 1.2% of total gross profits, respectively.

### **Aviation Fuel**

The Group sells aviation fuel and provides aircraft fuelling services to airline companies through Hainan Meiya Industrial Co., Ltd., a subsidiary of the Guarantor. The Group is the operator of fuel farms at Meilan Airport. It also operates refuelling vehicles and maintains the fuel storage tanks to support its fuelling activities.

The Group is required to purchase aviation fuel from China Petroleum and Chemical Corporation ("CPCC"). The CPCC is a state-owned aviation fuel supplier in charge of sales, logistics and distribution of aviation fuel within the PRC. The price for aviation fuel to be purchased from CPCC is regularly adjusted by the National Development and Reform Commission. The Group then sells the fuel to airline customers at a price regulated by the CAAC. Since the fuel prices are determined by the relevant PRC government authorities and the Group has no control over the prices, the margin for aviation fuel business is relatively lower than that earned by other businesses of the Group.

For the two years ended 31 December 2013 and 2014, revenues from the sale of aviation fuel were CNY2.5 billion and CNY2.6 billion, respectively, representing 72.8% and 70.0% of the Group's total revenue in 2013 and 2014, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from the sale of aviation fuel were approximately CNY103.9 million and CNY100.3 million, respectively, representing 15.8% and 13.5% of total gross profits, respectively.

### **Leasing Services**

The Group leases out commercial areas of approximately 9,515 m<sup>2</sup> in the airport terminal for operations of restaurants and shops. Taking into consideration the prevailing market rental level and internal return requirements, the Group will set a rental level and other rental standards for each location for lease. The Group proactively monitors the overall performance of its tenants. The Group will assess the tenant's past sales performance and whether the nature of its business fits into the overall strategy of the location at the terminal. Based on the results of the assessment, the Group will either renew the existing lease at a market comparable rental rate or commence pre-leasing negotiation with potential tenants. Depending on a tenant's industry, scale and performance, the rental rate may be determined by a fixed monthly rate, a variable rate that is linked to the total sales turnover of a tenant or both. In addition, the tenants are generally charged a monthly management fee based on the size of the leased property, which covers building maintenance expenses and air-conditioning services. Tenants are required to pay their own utility charges.

The Group has built a high-quality and diverse tenant pool of over 181 brands as of 31 December, 2014. A new brand has to pass the management's review in order to enter into the brand bank. The Group actively optimises the brand mix of its tenants based on the locations of the leases.

The Group also leases out office premises with a total of 3,122 m<sup>2</sup> to airlines for use as offices, check-in counters and ticketing counters in the airport terminal.

The rental rates for offices, counters and lounges are based on guidance rates set by CAAC. Leasing income of the Group were CNY39.3 million and CNY45.6 million for the two years ended 31 December 2013 and 2014, respectively, representing 1.1% and 1.2% of the Group's total revenue in 2013 and 2014, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from leasing services were approximately CNY68.4 million and CNY45.6 million, respectively, representing 10.4% and 6.1% of total gross profits, respectively.

## **Franchising and Other Services**

### ***Duty-free shops franchising***

The Group receives franchise fees from licensing the right to operate duty-free shops at the airport terminal. The duty-free shops pay the Group 20% of their sales revenues. The duty-free shops currently occupy approximately 5,227 m<sup>2</sup> of the domestic terminal and 573 m<sup>2</sup> of the international terminal. The right to operate duty-free shops in the domestic terminal has been licensed to Haimian Haikou Meilan Airport Duty-Free Shop Company Limited, and the right to operate duty free shops in the international terminal has been licensed to Hainan Airlines & CDF Duty Free Co., Ltd. Since the implementation of the offshore duty-free policy by the Hainan government in 2012, the Group's duty-free shop franchising business has experienced rapid growth due to increase in the duty-free shops' sales revenue. From 2013 to 2014, the sales revenues of the duty-free shops at Meilan Airport grew at a CAGR of 55.6%. In 2014, the Group received duty-free shops franchise fees for a total of CNY137.1 million, representing 40.0% of the Group's revenue from franchising and other services.

Pursuant to the new duty-free shop policy effective March 2015, the duty-free limit for travellers departing Hainan increased from CNY5,000 to CNY8,000; the types of duty-free goods expanded from 21 to 30, including consumer goods such as infant formula milk powder, coffee, health-care food, household air purifier etc. The new policy also relaxed the restriction on 10 types of products including perfume, cosmetics, watches, apparel, and small leather goods.

### ***VIP services***

The Group generates revenue by charging passengers for access to the VIP lounges. The VIP lounges provide food and beverages, entertainment and resting areas for passengers waiting for their flights. VIP services also include VIP shuttles that transport passengers directly from the VIP lounges to the boarding gate.

### ***Air catering services***

The Group has licensed the right to operate air catering services at Meilan Airport to Hainan Airline Catering Company Limited.

### ***Communication network services***

The Group charges airline companies for their access to the airport's communication network. The network enables the airline companies to sell flight tickets, provide check-in for passengers and manage seat allocations.

### ***Advertising services franchising***

The Group earns advertising revenues from leasing out advertising spaces at the airport terminal. The Group entered into an franchising agreement with Hainan Asiaray Advertising Company Limited for the right to use such advertising spaces, and Hainan Asiaray Advertising Company Limited pays the Group a fixed fee under the agreement.

### ***Tourism services franchising***

The Group licenses travel services including tourist transportation from Meilan Airport to Haikou City, hotel reservation, air ticketing and tourist group arrangements to Hainan Meilan International Airport Travelling Co., Ltd.

### ***Car parking services***

The Group receives revenue generated by its car parking facilities. The ground level car park has a site area of 54,183 m<sup>2</sup>, which can accommodate 662 vehicles. Additional parking space of 1,440 m<sup>2</sup> and 50 parking lots is available on the upper (departure) level of the airport terminal. The parking fees are determined by the pricing bureau of Hainan Province.

Revenues from franchising and other services of the Group were CNY271.1 million and CNY343.4 million for the two years ended 31 December 2013 and 2014, respectively, representing 7.9% and 9.4% of the Group's total revenue 2013 and 2014, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from other services were approximately CNY241.9 million and CNY343.4 million, respectively, representing 36.7% and 46.1% of total gross profits, respectively.

### Civil Aviation Development Fund Refund

According to the rules promulgated by the CAAC, every passenger departing from an airport on a domestic flight in the PRC is required to pay an airport fee of CNY50. Generally, all airport fees collected from departing passengers by the PRC airports are required to be remitted to MOF, which then re-allocates a percentage, depending on the airport, of such airport fees through CAAC or provincial governments to the respective airports for purposes such as renovation or construction of airport facilities or other items designated in CAAC's airport investment scheme as approved by MOF. Meilan Airport is one of the only three airports in the PRC that receives refunds directly from MOF. Under the current regulations, the Group receives an actual refund rate of the Aviation Development Fund of 48.0%.

For the year ended 31 December 2013 and 2014, the Group's share of the airport fees was approximately CNY138.6 million and CNY160.6 million, respectively, representing 4.0% and 4.4% of the Group's total revenue in 2013 and 2014, respectively. For the two years ended 31 December 2013 and 2014, the gross profit from Civil Aviation Development Fund Refund were approximately CNY138.6 million and CNY160.6 million, respectively, representing 21.0% and 21.6% of total gross profits, respectively. The Civil Aviation Development Fund Refund will be approximately CNY180 million in 2015.

### MEILAN AIRPORT'S TRAFFIC

#### Domestic Passenger Traffic

The following table sets out the numbers of aircraft movement and passenger throughput in domestic flights to and from Meilan Airport for the three years ended 31 December 2012, 2013 and 2014, respectively:

	Year ended 31 December		
	2012	2013	2014
Passenger throughput .....	10,266,721	11,460,903	13,307,062
Change as compared to the same period in the previous year (%) .....	5.0%	11.6%	16.1%
Aircraft movements .....	83,363	90,227	100,570
Change as compared to the same period in the previous year (%) .....	4.4%	8.2%	11.5%

#### Airline customers operating domestic flights

The following table sets out the number of scheduled flights in 2014 operated by the top five domestic airlines in terms of the number of scheduled domestic flights to and from Meilan Airport:

Airlines	No. of scheduled flights
Hainan Airlines Company Limited .....	29,368
China Southern Airlines Company Limited .....	23,083
Beijing Capital Airlines Company Limited.....	12,679
Tianjin Airlines Company Limited .....	8,333
Shenzhen Airlines Company Limited .....	5,666

## Hong Kong and Macau Passenger Traffic

The following table sets out the numbers of aircraft movements and passenger throughput of Hong Kong and Macau flights to and from Meilan Airport for the three years ended 31 December 2012, 2013 and 2014, respectively:

	Year ended 31 December		
	2012	2013	2014
Passenger throughput .....	238,653	287,828	301,908
Change as compared to the same period in the previous year (%) .....	20.0%	20.6%	4.9%
Aircraft movements .....	2,233	2,483	2,421
Change as compared to the same period in the previous year (%) .....	35.2%	11.2%	-2.5%

## Airline customers operating Hong Kong and Macau flights

The following table sets out the four airlines operating Hong Kong and Macau flights to and from Meilan Airport and the number of chartered flights in 2014:

Airlines	No. of scheduled flights
Hong Kong Airlines Ltd. ....	865
Hong Kong Dragon Airlines Limited .....	716
China Airlines Limited .....	314
Far Eastern Air Transport Corp.....	132

## International Passenger Traffic

The following table sets out the numbers of aircraft movements and passenger throughput of international flights for the three years ended 31 December 2012, 2013 and 2014, respectively:

	Year ended 31 December		
	2012	2013	2014
Passenger throughput .....	191,347	186,739	244,889
Change as compared to the same period of previous year (%).....	1.2%	-2.4%	31.1%
Aircraft movements .....	1,651	1,724	2,870
Change as compared to the same period of previous year (%).....	8.9%	4.4%	66.5%

## Airline customers operating international flights

The following table sets out the number of chartered international flights in 2014 operated by the top five airlines in terms of the number of scheduled international flights to and from Meilan Airport:

Airlines	No. of scheduled flights
Tiger Airways Singapore Private Limited.....	404
UTair Aviation Joint Stock Company .....	168
T'way Air Co., Ltd.....	96
Nord Wind .....	62
IKAR .....	18

## Cargo, Mail and Baggage Traffic

The following table sets out the numbers of cargo, mail and baggage throughput at Meilan Airport for each of the three years ended 31 December 2012, 2013 and 2014, respectively:

	Year ended 31 December		
	2012	2013	2014
International cargo, mail and baggage throughput (tonnes).....	2,638	2,855	5,258
Hong Kong/Macau cargo, mail and baggage throughput (tonnes).....	2,957	3,767	4,105
Domestic cargo, mail and baggage throughput (tonnes).....	<u>169,769</u>	<u>189,679</u>	<u>208,351</u>
Total .....	<u>175,365</u>	<u>196,301</u>	<u>217,714</u>
Change as compared to the same period of previous year (%).....	—	11.9%	10.9%

## MEILAN AIRPORT'S MAJOR FACILITIES

Meilan Airport is equipped with facilities for providing both aeronautical and non-aeronautical services to passengers and airlines.

### Runway

The runway of Meilan Airport was designed and constructed in accordance with ICAO category 4E standards. It is 3,600-metre long, 44% longer than the ICAO specification of 2,500 metres as the required length for accommodating the maximum gross weight takeoff requirements of Boeing 747-400 aircraft. The runway's concrete surface, precision instrument markings, lighting and taxiways are all constructed according to ICAO category 4E standards. The category II precision instrument landing system at the west approach (the primary approach used by the majority of flights) provides for aircraft operations with 30-metre decision height and 400-metre visibility distance while the category I precision instrument landing system at the east approach provides for 60-metre decision height and 800-metre visibility distance. Both the runway and the underlying land use rights are owned by the Guarantor. The term of the lease for the land use rights is 50 years which ends in 2049.

### Airport terminal

The airport T1 terminal is a three-storey building, including one basement level, with a total gross floor area of 127,426 m<sup>2</sup>. Facilities included first/business class and VIP lounges, flight information display system, passenger check-in counters, automatic baggage handling system, airline offices, travel service counters, restaurants and retail shops.

In August 2013, the international terminal with a total gross floor area of 15,100 m<sup>2</sup> was formally opened. Up to December 2014, the international terminal received a total of 774,393 international and domestic travellers and completed 7,051 aircraft movements. The West Gallery expansion project with a construction area of 28,126 m<sup>2</sup> began construction in December 2013. Construction has been completed and the West Gallery is expected to open in July 2015. The airport terminal and its associated land use rights are owned directly by the Guarantor.

### Apron

The apron provides a total of 55 aircraft parking positions, 28 of which are connected to the airport terminal by air bridges. The total site area of the apron is approximately 509,000 m<sup>2</sup>.

### Cargo centre

The cargo centre has a total site area of 16,120 m<sup>2</sup> and a gross floor area of 4,337 m<sup>2</sup>. There are 919 transport vehicles, including 680 luggage trailers. The cargo centre has an annual cargo capacity of approximately 140,000 tonnes.

### **Car parking facilities**

The ground level car park has a site area of 54,183 m<sup>2</sup>, which can accommodate 662 vehicles. The Group installed an automatic system to collect fees for the ground level car parking. There are also car parking spaces on the upper (departure) level with a site area of 1,440 m<sup>2</sup> which can accommodate 50 vehicles.

### **Fire-fighting facilities**

Situated next to the remote aircraft parking aprons is a fire-fighting station with a total gross floor area of 3,755 m<sup>2</sup>, 15 fire engines and various fire-fighting equipment.

### **Medical services and emergency facilities**

The Group operates a 24-hour emergency centre with a total gross floor area of 1,209 m<sup>2</sup> at Meilan Airport. The emergency centre is staffed by 22 qualified medical practitioners.

### **Terminal Complex**

In 2014, the Group began construction of a new terminal complex with a total estimated investment of CNY1.9 billion to further improve the development and expansion of Meilan Airport. It is expected that the station complex will comprise two layers of underground floors and six layers of ground floors with total covering area of 8 hectares, of which the construction area on the ground is approximately 152,900 m<sup>2</sup> (among which 40,000 m<sup>2</sup>, 77,900 m<sup>2</sup> and 35,000 m<sup>2</sup> are for star-rated hotel, commercial district and surface parking lot respectively) and the construction area underground is approximately 122,500 m<sup>2</sup>. In addition, there are a total of 4,000 parking spaces. It is expected that the station complex will be divided into two parts, east part of which will be star-rated hotel and the west will be the comprehensive large commercial building including brand flagships, boutique department store, brand shopping centre, themed restaurants, specialty restaurants and film studios. The west wing of the Terminal Complex also have a total area of 32,500 m<sup>2</sup> planned for the Group's duty-free shop business.

### **PLEDGE OF LAND USE RIGHTS**

The Group obtained a long-term borrowing of US\$250 million from 14 financial institutions secured by the 51.0% interest in Hainan Meilan International Airport Cargo Co., Ltd. held by the Group and certain land use rights of the Group with book value amounting to CNY9.0 million. As of 31 December 2014, balance of the borrowing was US\$250 million (equivalent to CNY1,529.8 million).

### **PRINCIPAL AIRLINE CUSTOMERS**

Hainan Airlines has been the largest customer of the Group, accounting for 4.17% and 5.37% of the Group's total revenue for each of the two years ended 31 December 2013 and 2014, respectively. Hainan Airlines has its home base at Meilan Airport and operates the largest number of scheduled flights to and from Meilan Airport. Apart from aircraft movement fees, passenger charges, ground handling fees and payments for aviation fuel, Hainan Airlines leases offices, ticketing and check-in counters and other facilities in the airport terminal. The Group therefore receives a steady stream of revenue from Hainan Airlines.

China Southern Airlines has been the second largest customer of the Group, contributing 2.26% and 4.08% of the Group's total revenue for each of the two years ended 31 December 2013 and 2014, respectively.

Other significant customers include Beijing Capital Airlines, Shenzhen Airlines, Tianjin Airlines and Hong Kong Airlines contributing respectively 3.09%, 2.29%, 2.14% and 0.28% of the revenue of the Group for the year ended 31 December 2014.

### **COMPETITION**

The Group faces competition or potential competition mainly in the following areas:

#### **Competition with other modes of transport**

The Group's operations depend on the volume of commercial air traffic at Meilan Airport. Commercial airlines that operate at Meilan Airport face competition for passengers and cargo from other modes of transport such as waterways, road and railway transportation. In recent years, China

has experienced rapid economic growth, which has been accompanied by rising level of disposable income, increasing demand for both domestic and international business and tourist travel and higher volumes of cargo and mail delivery. All of these factors have contributed to a growing demand for transportation, including aviation.

China has invested a large amount of capital to improve its transportation infrastructure including airports, highways and railways. The construction of new highways of international standard as well as improvements of the rail network have resulted in higher levels of speed and comfort for road and rail travel, intensifying their competition with air transport for long distance travel. The Ministry of Railway and the provincial governments of Guangdong and Hainan have jointly developed the 568.3-kilometre Guangdong-Hainan Railway. This railway consists of the 138-kilometre Zhanjiang-Hai'an railway in Guangdong, a railway ferry service from Hai'an to Haikou and the Haikou-Chahe line on the west side of the Hainan Island. Travel time from Guangzhou to Haikou by the Guangdong-Hainan Railway will be approximately 10 hours. The Guangdong-Hainan Railway created competition with respect to certain categories of non-priority cargo that is currently carried by air and with respect to economy travellers but the impact on the Group's passenger and cargo businesses will not be substantial.

The Group believes that China's continuing economic growth and modernisation will continue to result in growing demand for high speed transport and air travel will continue to have a competitive advantage over other modes of transport, especially for long distance travel. Hainan Island, being geographically separated from the mainland and relatively far away from most of the other major cities in China, tends to resort to air travel as a solution to the growing demand.

### **Competition with other airports**

An airport competes with other airports for passenger and cargo traffic and aircraft movements. Meilan Airport faces potential competition from Sanya Phoenix International Airport for local traffic.

In Hainan Province, the only other major civil airport is the Sanya Phoenix International Airport. Located approximately 275 kilometres from Haikou, the Sanya Airport handled approximately 14.9 million passengers and 100,000 aircraft movements in 2014, making it the 18th busiest airport in the PRC for passengers, while Meilan Airport ranked 19th in the same year. Given that Haikou is the economic and political centre of the Hainan Province, and that Meilan Airport is usually the first stop for domestic travellers arriving in Hainan, the Group believes that the Sanya Airport presents moderate competition to Meilan Airport.

### **INSURANCE**

The risks of liability for bodily injury to any person and property damage arising out of the fault or negligence of the Group or any of its employees or agents are covered under the comprehensive airport liability insurance policy maintained by CAAC for certain airports in China with Ping An Property & Casualty Insurance Company of China, Ltd., an independent third party of the Group. The insurance coverage under the policy is CNY2.1 billion. The Group has not made any claim under this insurance policy as of the date of this Offering Circular. The Group believes that the insured amount will be sufficient to compensate third parties for any bodily injury and property damage covered by the insurance policy in the event of any reasonably foreseeable claims.

The Group maintains an insurance policy with China Pacific Insurance Company Limited for its properties (including the airport terminal), equipment and machinery. The insurance coverage under the policy is CNY900.0 million. The Group has not made any material claims under this insurance policies so far. The Group believes that this insurance policy will be sufficient to cover the Group's potential losses or the cost of replacing the destroyed or damaged properties, equipment or machinery in the event of any reasonably foreseeable damages.

The Group does not carry business interruption insurance, as such coverage is not customary in the PRC.

### **ENVIRONMENTAL MATTERS**

The Group is subject to various mandatory environmental laws and regulations in the PRC. In compliance with these regulations, Meilan Airport has installed necessary facilities and has taken appropriate measures to deal with air, solid waste and waste water pollution.



In anticipation of increase in the volume of waste products that are expected to be discharged by Meilan Airport in its daily operations as passenger traffic increases, CNY3.0 million has been invested in installing two incinerators with daily waste treatment capacity of 6 metric tons. The waste water is transported by an underground pipeline to a waste water treatment plant with the daily treatment capacity of 1,440 m<sup>3</sup> on a regular basis.

Although Meilan Airport itself does not produce any noise that exceeds the prescribed level applicable to areas around airports, the aircraft engine noise created by approaching and departing aircraft using Meilan Airport may exceed such level. The Group has not had any claims and is not aware of any pending or potential claims, either by private persons or governmental authorities or agencies, in relation to the levels of noise pollution arising from airport operations.

As at the date of this Offering Circular, so far as the Group is aware, the Group is in compliance with all applicable PRC environmental protection regulations.

## **LAND AND PROPERTY**

The Group's business and ancillary facilities are located in Qiongsan city, approximately 20 kilometres southeast of Haikou, Hainan Province, the PRC.

The land use rights in respect of the land of approximately 350,442 m<sup>2</sup>, on which buildings and structures including the airport terminal, apron, the cargo distribution centre, fire-fighting building, the emergency centre and car park with a total gross floor area of 69,750 m<sup>2</sup> were built have been granted by the state to the Group. The Group has obtained the land use rights certificate issued by the Qiongsan Land Resources Bureau. The land use rights are valid until 5 September 2049.

## **RELATIONSHIP WITH CAAC**

Meilan Airport, together with other airports in China, is currently subject to extensive regulation by CAAC.

Regulations and policies issued or implemented by CAAC regulate substantially all aspects of the operations and businesses of airports, such as renovation, construction and expansion of airport facilities, technical standards of airfield facilities, aeronautical fees and air traffic and ground safety. While the Group generally benefits from CAAC policies on an industry basis that are beneficial to the civil aviation industry in China as a whole, the implementation of specific CAAC policies could from time to time adversely affect the Group's operation.

## **EMPLOYEES**

As at 31 December 2014, the Group had a total of approximately 2,358 employees.

The Group has employment contracts with all of its full-time employees. The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes. The Group recognises the importance of a good relationship with its employees and believes that it maintains a good working relationship with its employees. Some of the Group's employees are represented by a labour union. These employees do not negotiate their terms of employment through the labour union or by way of collective bargaining agreements.

## **LEGAL PROCEEDINGS**

As at the date of this offering circular, the Group was not involved in any litigation, arbitration or administrative proceedings that could have a material adverse effect on its financial conditions and results of operations, taken as a whole.

## DIRECTORS AND MANAGEMENT

The members of the board of directors and senior management of the Guarantor as of the date of this Offering Circular are as follows:

Name	Position
Liang Jun.....	Director and Chairman
Wang Zhen.....	Director and Vice Chairman
Hu Wentai.....	Director and Vice Chairman
Zhu Weijun.....	Director
Qiu Guoliang.....	Director
Ma Xiaojun.....	Director
Yang Jianjun.....	Director
Gu Gang.....	Director
Zhou Meng.....	Director
Fang Shilian.....	Independent Director
Yu Lijun.....	Independent Director
Yang Xiaobin.....	Chief Executive Officer
Zhang Peihua.....	Vice President and Chief Financial Officer

### Liang Jun

Mr. Liang, aged 53, holds a master degree. From October 1991 to January 1999, Mr. Liang served as the general manager of Sanya Branch and Ningbo Base of Hainan Airlines Co., Ltd. (海南航空股份有限公司), and acted as the chief representative of Hainan Airlines Co., Ltd. in Shanghai. He was appointed as the chairman of HNA Hotel Management Group (海航酒店管理集團) in February 1999, and executive vice president of HNA Group Co., Ltd. (海航集團有限公司) in March 2001. From August 2003 to March 2006, he served as the chief executive officer, vice chairman and chairman of HNA Hotel Group Holdings Co., Ltd. (海航酒店控股集團有限公司). Mr. Liang became the chairman and general manager of Hainan HNA International Hotel Ltd. (海南海航國際商務酒店有限公司) in April 2006, and concurrently served as the chairman and chief executive officer of HNA Airlines Food Holdings Ltd. (海航航空食品控股有限公司), as well as the general manager of Hainan Airlines Food Company Limited (海南航空食品有限公司), and became the vice chairman of HNA Hotels & Resorts Ltd. (海航酒店(集團)有限公司) and HNA Hotel Group Holdings Co., Ltd. (海航酒店控股集團有限公司) in March 2007. Mr. Liang is the chairman of Haikou Meilan International Airport Company Limited (海口美蘭國際機場有限責任公司).

### Wang Zhen

Mr. Wang, aged 52, is a master degree candidate, and a member of the Communist Party of China. He is the Chairman of HNA Infrastructure Company Limited. From 1983 to 1992, he worked for Xinjiang Airlines Aircraft Repair Plant (新疆航空公司飛機維修廠) consecutively as the mechanic staff, the machinist, the maintenance leader, and the deputy workshop director. From 1993 to 1999, he worked for Hainan Airlines Co., Ltd. (海南航空股份有限公司) consecutively as the mechanic staff and the vice captain of the engineering department, the manager, the assistant to the department general manager and the branch department manager of the maintenance department. From October 1999 to January 2000, he was the vice general manager of the human resources department at Hainan Airlines Co., Ltd. From January 2000 to May 2000, he was the chief of the production operation centre at Hainan Airlines Co., Ltd. From May 2000 to December 2002, he was consecutively the vice executive president and the assistant of the executive president at Hainan Airlines Co., Ltd. From December 2002 to May 2003, he was the president of Sanya Phoenix International Airport Co., Ltd. (三亞鳳凰國際機場有限公司). From March 2003 to November 2006, he was consecutively the chief executive officer and the general manager of HNA Infrastructure Company Limited. From November 2006 to January 2007, he was the vice executive president of HNA Airport Group Limited (海航機場集團有限公司). From January 2007 to September 2008, he was the vice executive president of HNA Airport Group Holdings Limited (海航機場控股集團有限公司). From September 2008 to July 2012, he worked for Sanya Phoenix International Airport Co., Ltd. consecutively as the president, the deputy

commander of the construction management department, the executive chairman of the board and the chairman of the board. From July 2012 to May 2013, he worked as the deputy leader of the Meilan Airport aviation industrial park project promotion group of the airport management division at HNA Industrial Holdings (Group) Co., Ltd. (海航實業控股(集團)有限公司).

### **Hu Wentai**

Mr. Hu, aged 60, graduated from Logistics Institute of the P.L.A. Navy (海軍後勤學校) majoring in law in 1979. Mr. Hu was re-appointed as a non-executive director of the Guarantor in May 2012 and has been serving as vice chairman of the Board since August 2008. He has also served as a member of the strategic committee of the Board of the Guarantor. Mr. Hu worked as the general manager of Hainan Henghe Property Management Co., Ltd. (海南恒禾物業管理有限公司) in August 2000 and the executive vice president of Haikou Meilan Airport Co., Ltd. (海口美蘭機場有限責任公司) from August 2000 to September 2002. Since Mr. Hu joined the Guarantor in 2002, he has held a number of senior positions in the Guarantor, including the chief operating officer and vice president of the Guarantor. He served as the chairman of Haikou New City Area Construction Development Co., Ltd.\* (海口新城區建設開發有限公司) from February 2006 to July 2007 and was also the deputy general manager of Beijing HNA Realty Group Co., Ltd. (北京海航地產集團有限公司) in February 2006. From July 2007 to August 2008, he was the vice president of the Guarantor. Mr. Hu has extensive experience in the area of airport management and project construction.

### **Zhu Weijun**

Mr. Zhu, aged 43, is from Xianyang, Shaanxi Province. Mr. Zhu worked at the technological research institute of Zhengzhou Aircraft Industry Company (鄭州飛機工業公司) in July 1991. From November 1993 to February 1998, he worked at the development department, investment banking department, and investment and fund management department of Hainan SEG International Trust and Investment Corporation (海南賽格國際信託投資公司), and concurrently acted as an assistant to the general manager of SDA-SEG Cargo Co., Ltd. (深圳山航賽格航空貨運公司), during which he studied in Xi'an Jiaotong University (西安交通大學) and also went to the United States for an inspection so as to learn the securities market and investment banking businesses. Mr. Zhu worked at the cooperative development department of Hainan Airlines Co., Ltd. (海航股份有限公司) in February 1998 and subsequently served as the deputy general manager and manager of the strategic development research office and an assistant to the general manager of the cooperative development department. He became an assistant to the executive president of HNA Holdings (Group) Co., Ltd. (海航控股(集團)有限公司) in July 2000, the chairman of Hainan HNA Aviation Import and Export Co., Ltd. (海南海航航空進出口有限公司) in October 2000, a senior assistant to the executive president and financial controller of HNA Group Co., Ltd. (海航集團有限公司) from May 2001 to January 2002, and the president of HNA Property Holdings (Group) Co., Ltd. (海航置業控股(集團)有限公司總裁) in May 2010. Mr. Zhu is the chairman of HNA Investment Group Co., Ltd. (海航投資集團股份有限公司).

### **Qiu Guoliang**

Mr. Qiu, aged 40, graduated from Nanjing Aviation Aeronautical University with professional background, and is a holder of FAA Licence. From July 1997 to March 2004, he worked at the flight operations department, production operation centre and operation control department of Hainan Airlines Co., Ltd. (海南航空股份有限公司) and Chang'an Airlines Co., Ltd. (長安航空有限責任公司) as a dispatcher of the flight planning office, assistant to the general manager of the operation control office, deputy head and deputy general manager of the dispatch control centre. From March 2004 to June 2011, he served as the manager of the command centre, as well as an assistant to the chief operating officer and vice president of Hainan Meilan International Airport Company Limited (海南美蘭國際機場股份有限公司). From June 2011 to March 2012, he served as an executive vice president of Sanya Phoenix International Airport Co., Ltd. (三亞鳳凰國際機場有限責任公司). From February 2012 to September 2012, he served as a vice president of the airport affairs department of HNA Airport Group Co., Ltd. (海航機場集團有限公司) and HNA Infrastructure Industry Group Limited (海航基礎產業集團有限公司). Mr. Qiu is the president of the engineering branch of HNA Infrastructure Industry Group Limited (海航基礎產業集團有限公司).

### **Ma Xiaojun**

Mr. Ma, aged 57, with his hometown in Changzi, Shanxi Province, has a bachelor degree and is a senior engineer and member of the Chinese Communist Party. From April 1975 to December 1977, he studied in May 7 Cadre School in Lanzhou (蘭州市五七幹校). From December 1977 to March

1978, he worked at the Shutu power unit of Lanzhou Team (蘭州部隊數圖電社). From March 1978 to January 1982, he studied at the department of physics in Lanzhou University (蘭州大學) majoring in semi-conductors. From January 1982 to December 1985, he worked at Changfeng Machine Factory (長風機器廠) as an assistant engineer. From December 1985 to June 1995, he worked at Gansu Science and Technology Consulting Centre (甘肅省科技諮詢中心) as an engineer. From June 1995 to June 2009, he worked at the Gansu Provincial Planning Commission (甘肅省計委) and the Provincial Development and Reform Commission (省發展改革委). He was appointed as the director of the transport department of the Gansu Provincial Development and Reform Commission (甘肅省發展改革委). Mr. Ma has been the general manager and deputy secretary-general (at the deputy director level) of the party committee of Gansu Province Airport Investment & Management Co., Ltd. (甘肅省機場投資管理有限公司) since June 2009.

### **Yang Jianjun**

Mr. Yang, aged 47, with his hometown in Zhengning county, Gansu Province, received tertiary-level education and is a senior accountant and member of the Chinese Communist Party. He started working in July 1991. From September 1988 to July 1991, he studied at Changsha Communications Institute (長沙交通學院) majoring in project financial accounting. From July 1991 to November 2000, he served as an accounting personnel of the financial division, secretary of the authority group branch, and secretary of the youth league committee branch of Gansu Provincial Transportation, Planning, Survey and Design Institute (甘肅省交通規劃勘察設計院), during which he studied the Gansu Provincial Committee Party School (甘肅省委黨校) majoring in financial accounting. From November 2000 to September 2004, he served as the secretary of the youth league committee and deputy division head of the financial division, and then deputy department head of the financial department of Gansu Provincial Transportation, Planning, Survey and Design Institute (甘肅省交通規劃勘察設計院). From September 2004 to December 2008, he acted as a director, deputy chief accountant, head of the financial assets management department, and secretary of the office party branch of Gansu Provincial Transportation Research Institute Co., Ltd. (甘肅省交通科學研究所有限公司). From December 2008 to March 2011, he served as a member of the party committee and deputy general manager of Gansu Road and Bridge Construction Group Co., Ltd. (甘肅路橋建設集團有限公司). From March 2011 to July 2012, he served as the deputy head of the assets operation department and the financial department of Gansu Highway Aviation Tourism Investment Group Co., Ltd. (甘肅省公路航空旅遊投資集團有限公司). Mr. Yang has been the head of the financial department of Gansu Highway Aviation Tourism Investment Group Co., Ltd. (甘肅省公路航空旅遊投資集團有限公司) since July 2012.

### **Gu Gang**

Mr. Gu, aged 38, with his hometown in Zhen'an, Shaanxi Province, studied as an on-the-job postgraduate with a master degree in business administration for senior management and is a member of the Chinese Communist Party. He started working in July 1998 and was subsequently employed by the financial department of both China National Seed Group Co., Ltd. (中國種子集團公司) and China Yintai Holdings Co., Ltd. (中國銀泰投資有限公司), as well as Sanya Ruida Property Co., Ltd. (三亞瑞達置業有限公司), Hunan Jinguo Industrial Co., Ltd. (湖南金果實業股份有限公司), Beijing Yintai Property Co., Ltd. (北京銀泰置業有限公司) and Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司). Mr. Gu is a deputy general manager and member of the party committee of Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司), and concurrently acts as the general manager of its financial department and assets management department, the chairman, legal representative and general manager of Haikou Holdings Microfinance Co., Ltd. (海口海控小額貸款有限公司), the chairman, legal representative and general manager of Hainan Holdings Asset Management Co., Ltd. (海南海控資產管理有限公司), and the general manager of Hainan Airport Investment Management Co., Ltd. (海南省機場投資管理有限公司).

### **Zhou Meng**

Mr. Zhou, aged 43, with his hometown in Suzhou, Hubei Province, has a bachelor degree in economics and is a certified real estate appraiser. He started working in July 1994 and subsequently worked at Wuhan Agricultural Machinery Company (武漢農機公司), Qionghai Wanquan River Guesthouse (瓊海萬泉河賓館), Datong Courier Company (大通快遞公司), Hainan Zhonghengxin CPA Firm (海南中恒信會計師事務所) and the audit and risk management department of Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司). Mr. Zhou is a deputy general manager of the asset management department of Hainan Development Holdings Co., Ltd. (海南省發展控股有限公司).

### **Fang Shilian**

Mr. Fang, aged 73, with his hometown in Puning, Guangdong Province, is a member of the Chinese Communist Party. He graduated from Air Force Radar Academy (空軍雷達學院) in October 1963 and from Air Force Political Academy (空軍政治學院) in November 1965, respectively. Mr. Fang has subsequently served as the deputy section head of the corporate management section, transportation management section and system reform regulation and corporate management section of Civil Aviation Administration of China (中國民用航空總局), the vice chairman and general manager of China Air Express Co., Ltd. (民航快遞有限責任公司) and an executive director of China International Freight Forwarders Association (中國國際貨運代理協會).

### **Yu Lijun**

Ms. Yu, aged 52, with her hometown in Dalian, Liaoning Province, is a member of the Chinese Communist Party. She graduated from the economic management department of China Civil Aviation College (中國民航學院) in July 1985 with a bachelor degree in planning and finance, and from the air transport department of École Nationale de l'Aviation Civile (ENAC) in October 1999 with a master degree in airport management, respectively. She served as the department head of the international exchange and cooperation department of Civil Aviation University of China (中國民航大學) (the executive dean of the International Academy of Technology (國際技術學院)). As a member of the expert team for China civil aviation economist examination (中國民航經濟師職稱考試), Ms. Yu was responsible for the work in relation to any examination questions prepared by the expert team for years. She has been primarily engaging in airport operational management and air transport management, and is proficient at using two foreign languages, namely English and French, for international exchange and professional teaching purposes. As a member of the expert team for evaluation of Chinese-French cooperation in running schools under the Ministry of Education of China (國家教育部中法合作辦學評估專家組), she participated in the evaluation on the organisations or projects of relevant high schools for Sino-French cooperation in running schools as organised by the Ministry of Education (教育部) in several occasions. Ms. Yu is a member of the Chinese Society of Aeronautics and Astronautics (中國航空學會) and serves as the dean of the Chinese party and an associate professor of Sino-European Institute of Aviation Engineering in Civil Aviation University of China (中國民航大學中歐航空工程師學院).

### **Yang Xiaobin**

Mr. Yang, aged 44, obtained his bachelor degree in law from Jiangsu University (江蘇大學) in 2009. Mr. Yang has extensive experience in civil aviation. He worked for Qingan Aerospace Equipment Company (慶安宇航設備公司), a state-owned company, from October 1992 to February 1994, and was the secretary of the deputy chief executive and control room safety officer of Haikou Meilan International Airport Company Limited (海口美蘭國際機場有限責任公司) from December 2000 to October 2002, the control room safety officer of the Company from June 2003 to September 2004, and safety supervisor of the operation safety office of the Company from September 2004 to May 2007, the control room deputy general manager of the Company from July 2007 to December 2008, the general manager (operation) of HNA Airport Group Company Limited from December 2008 to August 2009, the chairman of Yichang Three Gorges Airport Co., Ltd (宜昌三峽機場有限責任公司). From September 2009 to September 2011, the deputy general manager of the Guarantor from September 2011 to March 2013 and the President of the Guarantor from 19 March 2013.

### **Zhang Peihua**

Mr. Zhang, aged 43, is a certified public accountant of the PRC and has a master degree in accounting. Mr. Zhang was the accountant of the Hainan branch of China Construction Bank (中國建設銀行海南分行) from July 1994 to January 1995, the chief accountant of Hainan International Finance Company Limited (海南國際財務有限公司) from February 1995 to June 2000, the deputy manager of the budget control office and supervisor of the financial control office of Hainan Airlines Co., Ltd. from September 2000 to August 2003, the assistant to chief accountant, chief financial officer and chief information officer of Xi'an Minsheng Group Co., Ltd. (西安民生集團股份有限公司) from August 2003 to September 2005, the deputy general manager of financial control department of Chang'an Airlines Co., Ltd. (長安航空有限責任公司) from August 2005 to March 2006, the general manager of the financial control department of HNA Hotel Holdings Ltd. (海航酒店控股集團有限公司) from March 2006 to November 2007, the chief financial officer and general manager of the financial control department of Yangtze River Real Estate Group Company Limited (揚子江地產集團有限公司) from February 2006 to September 2007, the general manager of the financial control department of Grand China Logistics Holding (Group) Company Limited (大新華物流控股

(集團)有限公司) from August 2007 to February 2009, the chief financial officer and general manager of the financial control department of Grand China Shipping (YanTai) Co., Ltd. (大新華輪船(煙台)有限公司) from February 2009 to December 2009, the chief financial officer of Hainan Zhuxin Investment Co., Ltd. (海南築信投資股份有限公司) from December 2009 to August 2010, the chief financial officer of HNA Realty Group Company Limited (海航地產控股(集團)有限公司) from August 2010 to December 2011 and the chief financial officer of HNA International Tourism Island Development and Construction (Group) Company Limited (海航國際旅遊島開發建設(集團)有限公司) from March 2011 to March 2012. He has been the chief financial officer of HNA Airport Group Company Limited since February 2012, the chief financial officer of the Guarantor since 23 August 2012 and the deputy general manager and chief financial officer of the Guarantor concurrently since 19 March 2013.

## TAXATION

*The following summary of certain tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any person acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes.*

*Persons considering the purchase of the Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Notes.*

### PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non PRC Noteholders in this section. In considering whether to invest in the Notes, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Pursuant to the New Enterprise Income Tax Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “**de facto management bodies**” are within the territory of China shall be PRC tax resident enterprises for the purpose of the New Enterprise Income Tax Law and they shall pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “**de facto management body**” of the Issuer or the Guarantor is within the territory of the PRC, the Issuer or the Guarantor may be held to be a PRC tax resident enterprise for the purpose of the New Enterprise Income Tax Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside PRC. As at the date of this Offering Circular, neither the Issuer nor the Guarantor has been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the New Enterprise Income Tax Law. On that basis, unless the relevant income is considered by the PRC tax authorities as income sourced from within the PRC, holders of the Notes will not be subject to withholding tax, income tax or any other taxes or duties (including stamp duty) imposed by any governmental authority in the PRC in respect of the holding of the Notes or any repayment of principal and payment of interest made thereon.

However, there is no assurance that neither the Issuer nor the Guarantor will be treated as a PRC tax resident enterprise under the New Enterprise Income Tax Law and related implementation regulations in the future. Pursuant to the New Enterprise Income Tax Law and its implementation regulations, any non-resident enterprise without establishment within the PRC or whose income has no actual connection to its establishment inside the PRC shall pay enterprise income tax at the rate of 10 per cent. on the income sourced inside the PRC, unless a preferential rate is provided by tax treaties or arrangements entered into between the country or region where the non-resident is established and the PRC, and such income tax shall be withheld by sources with the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event the Issuer or the Guarantor is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer or the Guarantor shall withhold income tax from the payments of interest in respect of the Notes for any non PRC enterprise Noteholder. However, despite the potential withholding of PRC tax by the Issuer or the Guarantor, the Issuer or the Guarantor has agreed to pay additional tax amounts to holders of the Notes, subject to certain exceptions, so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Notes.

In addition, in the event that the Guarantor is required to discharge its obligations under the Guarantee of the Notes, the Guarantor will be obliged to withhold PRC enterprise income tax at the rate up to 10 per cent. on the payments of interest made by it under the Guarantee of the Notes to non PRC resident enterprise Noteholders as such payments of interest will be regarded as being derived from sources within the PRC. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non PRC resident enterprise Noteholders. Repayment of the principal will not be subject to PRC withholding tax.

Non PRC Noteholders without an establishment within the PRC or whose incomes have no connection to its establishment inside the PRC will not be subject to the PRC tax on any capital gains derived from a sale or exchange of Notes consummated outside mainland China between non PRC Noteholders, except however, if the Issuer is treated as a PRC tax resident enterprise under the New Enterprise Income Tax Law and related implementation regulations in the future, any gain realised by the non PRC enterprise Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 10 per cent. of PRC withholding tax and such PRC withholding tax will be up to 20 per cent, for non-resident individuals.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC, and all the relevant transaction documents are executed outside the PRC) of a Note.

## **BRITISH VIRGIN ISLANDS**

The Issuer and all dividends, interest, rents, royalties, compensation and other amounts paid by the Issuer to persons who are not resident in the BVI and any capital gains realised with respect to any shares, debt obligations, or other securities of the Issuer by persons who are not resident in the BVI are exempt from all provisions of the Income Tax Ordinance in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the BVI with respect to any shares, debt obligation or other securities of the Issuer.

All instruments relating to transfers of property to or by the Issuer and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Issuer and all instruments relating to other transactions relating to the business of the Issuer are exempt from payment of stamp duty in the BVI. This assumes that the Issuer does not hold an interest in real estate in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to the Issuer or its members.

## **HONG KONG**

### **Withholding tax**

No withholding tax is payable in Hong Kong in respect of payments of principal (including any premium payable on redemption of the Notes) or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

### **Profits tax**

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or



- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a company (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- (c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sums are revenue in nature and have a Hong Kong source.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes will be subject to profits tax. The source of the sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

### **Stamp duty**

No Hong Kong stamp duty will be chargeable upon the issue or transfer of the Notes.

### **Estate duty**

No Hong Kong estate duty is payable in respect of the Notes.

## **EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the “**Amending Directive**”). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of “**interest payment**” to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

## **The proposed financial transactions tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **FATCA**

Whilst the Notes are in global form and held within Clearstream and/or Euroclear, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, the Guarantor, any paying agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement with the United States (an “**IGA**”) will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances. Further, foreign financial institutions in a jurisdiction which has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

## PRC CURRENCY CONTROL

### Current Account Items

Under the PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Since July 2009, the PRC has adopted the *Measures for the Administration of Pilot Programme of Renminbi Settlement of Cross-Border Trades* (跨境貿易人民幣結算試點管理辦法), and commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, 24 August 2011 and 3 February 2012 respectively, the PRC government promulgated the *Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades* (關於擴大跨境貿易人民幣結算試點有關問題的通知), the *Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement* (關於擴大跨境貿易人民幣結算地區的通知) and the *Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods* (關於出口貨物貿易人民幣結算企業管理有關問題的通知) (together as “**Circulars**”). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, **provided that** the relevant provincial government has submitted to PBOC and five other PRC authorities (the “**Six Authorities**”) a list of key enterprises subject to supervision and the Six Authorities have verified and signed off such list (the “**Supervision List**”).

Accordingly, offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items. Renminbi remittance for exports of goods from the PRC may only be effected by (a) enterprises with the foreign trading right and incorporated in a province which has already submitted the Supervision List (for the avoidance of doubt, that PRC enterprises do not necessarily need to be included in the Supervision List), or (b) enterprises that have been approved as pilot enterprises for using Renminbi for exports before the Six Authorities reviewed and approved the Supervision List submitted by relevant province.

On 5 July, 2013, PBOC promulgated the *Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures* (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “**2013 PBOC Circular**”), which, in particular, simplifies the procedures for cross border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions (noting that verification of underlying transactions is usually a precondition for cross border remittance). The PBOC further issued the *Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors* (關於境外投資者投資境內金融機構人民幣結算有關事項的通知) on 23 September 2013, which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC.

As new regulations, the Circulars and the 2013 PBOC Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circulars and the 2013 PBOC Circular and impose conditions for settlement of current account items.

### Capital Account Items

Under the PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement for capital account items were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties were also generally required to make capital account payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency.

On 11 May 2013, SAFE promulgated the *Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors* (外國投資者境內直接投資外匯管理規定) (the “**SAFE Provisions**”), which became effective on 13 May 2013. According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise held by a PRC resident. Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

On 3 December 2013, MOFCOM promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the “**MOFCOM Renminbi FDI Circular**”), which became effective on 1 January 2014, to further facilitate Renminbi FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Renminbi FDI Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each Renminbi FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval.

Unlike previous MOFCOM regulations on Renminbi FDI, the MOFCOM Renminbi FDI Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Renminbi FDI Circular also clearly prohibits the Renminbi FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

On 13 February 2015, the SAFE promulgated *Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies* (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**2015 SAFE Circular**”), which became effective on 1 June 2015. The 2015 SAFE Circular aims to deepen the reform of foreign exchange administration of capital accounts, promote and facilitate the capital operation of enterprises in making cross-border investments, regulate the direct investment-related foreign exchange administration business, improve the administration efficiency. The 2015 SAFE Circular set forth the following reformation: (i) cancel the Administrative Examination and Approval Procedures relating to the Foreign Exchange Registration Approval under Domestic Direct Investment and the Foreign Exchange Registration Approval under Overseas Direct Investment; (ii) cancel the confirmation and registration of foreign investors’ non-monetary contribution and the confirmation and registration of foreign investors’ contribution to purchasing the equity held by the Chinese party under domestic direct investment; (iii) the confirmation and registration of foreign investors’ monetary contribution is adjusted to book-entry registration of domestic direct investment monetary contribution.

The 2015 SAFE Circular, the MOFCOM Circular and the PBOC FDI Measures, which are new regulations, have been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such new regulations will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

### **Cross-border Security Regulations**

On 12 May 2014, the SAFE promulgated the *Notice concerning the Foreign Exchange Administration Rules on Cross-Border Guarantee* (國家外匯管理局關於發佈《跨境擔保外匯管理規定》的通知) and the relating implementation guidelines (collectively the “**New Regulations**”). The New Regulations, which came into force on 1 June 2014, replace twelve other regulations regarding cross-border security and introduce a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration or filing for two specific types of cross-border security only; (iii) removing eligibility requirements for

providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing, and any other SAFE administrative requirements; and (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the New Regulations. The New Regulations classify cross-border security into three types:

- Nei Bao Wai Dai (內保外貸) (“NBWD”): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.
- Wai Bao Nei Dai (外保內貸): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.
- Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall register (by submitting an application document package) the relevant security/guarantee with the local branch of SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). The funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. Upon enforcement, the onshore security provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore bond issuance, the offshore issuer’s equity shares must be fully or partially held directly or indirectly by an onshore entity in the PRC. Moreover, the proceeds from any such offshore bond issuance must be applied towards the offshore project(s), where an onshore entity holds equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC laws.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the Trust Deed. The Guarantor’s obligations in respect of the Notes and the Trust Deed are contained in the Deed of Guarantee.

The Deed of Guarantee, which supplements a deed of guarantee dated 16 June 2015, will be executed by the Guarantor on or before the New Issue Date. Under the New Regulations, the Deed of Guarantee does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to submit the Deed of Guarantee to the Hainan Branch of SAFE for registration within 15 working days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee of the Notes.

Under the New Regulations, the Hainan Branch of SAFE will go through a procedural review (as opposed to a substantive approval process) of the Guarantor’s application for registration. Upon completion of the review, the Hainan Branch of SAFE will issue a registration notice or record to the Guarantor to confirm the completion of the registration. The Guarantor has been advised by its PRC legal advisors that there are no foreseeable substantial obstacles to the completion of the registration so long as all relevant documents have been duly submitted to SAFE.

Under the New Regulations:

- non-registration does not render the Guarantee of the Notes ineffective or invalid under PRC law although SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame of 15 working days; and
- there may be logistical hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor upon enforcement under the Guarantee of the Notes) as domestic banks may require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee itself.

## **SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN PRC GAAP AND IFRS**

The consolidated financial statements of the Group included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. The following is a general summary of certain differences between PRC GAAP and IFRS on recognition and presentation as applicable to the Group. The Group is responsible for preparing the summary below. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of the financial information and related footnote disclosure between PRC GAAP and IFRS and no attempt has been made to quantify such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may have been required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC GAAP and IFRS have significant ongoing projects that could affect future comparisons or events that may occur in the future.

Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete. In making an investment decision, each investor must rely upon its own examination of the Group, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisors for an understanding the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

## SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 26 June 2015 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained therein, the Issuer and the Guarantor have undertaken, among other things, that the New Notes will be issued on 3 July 2015 (the “**Closing Date**”), and the Joint Lead Managers have agreed with the Issuer severally and not jointly to subscribe and pay for, or procure subscribers to subscribe and pay for, the New Notes at an issue price of 100.00 per cent. of the principal amount plus an amount corresponding to accrued interest from, and including, 16 June 2015 to, but excluding, 3 July 2015 in the amounts set forth below:

	Principal Amount of New Notes
	(CNY)
Société Générale .....	100,000,000
ABCI Capital Limited .....	100,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch .....	100,000,000
<b>Total</b> .....	<b>300,000,000</b>

The Issuer and the Guarantor have undertaken to the Joint Lead Managers in the Subscription Agreement that, for the period from the date of the Subscription Agreement to (and including) the date falling 90 days after the Closing Date, none of the Issuer, the Guarantor nor any of their respective affiliates (as defined in the Subscription Agreement) shall make any announcements of, or any issue or offer of debt securities (other than the Existing Notes and New Notes) to the public or through a private placement in connection with which the Issuer, the Guarantor or any other member of the Group is the borrower, debtor, issuer, guarantor, obligor or provider of credit enhancement, directly or on their behalf, unless the Issuer and the Guarantor have obtained the prior written consent of the Joint Lead Managers. Each of the Issuer and the Guarantor has jointly and severally represented and warranted that, as at the date of the Subscription Agreement and during the 90-day period referred to above, it has not mandated and will not mandate any other party to arrange any issue or offering of debt securities (other than the Existing Notes and New Notes) in connection with which it is the borrower, debtor, issuer, guarantor, obligor or provider of credit enhancement.

The Subscription Agreement provides that the Issuer (failing which, the Guarantor) agrees to pay the Joint Lead Managers certain management and selling commissions, to reimburse the Joint Lead Managers for certain of their expenses in connection with the initial sale and distribution of the New Notes, and that the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the New Notes. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and certain of their respective subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any member of the Group and/or their respective subsidiaries and affiliates in the ordinary course of their business.

The Joint Lead Managers and their respective subsidiaries or affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, the Guarantor and/or the Group for which they received or will receive customary fees and expenses.

The Joint Lead Managers and their respective affiliates may purchase the Existing Notes and New Notes and be allocated any such Notes for asset management and/or proprietary purposes but not with a view to distribution. References herein to the Notes being offered should be read as including any offering of the Notes to the Joint Lead Managers and/or its affiliates acting in such capacity. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer or the Guarantor. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

## **GENERAL**

The New Notes are a new issue of securities with no established trading market. No assurance can be given as to the liquidity of any trading market for the New Notes. The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the New Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the New Notes, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the New Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the New Notes should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the New Notes should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

## **UNITED STATES**

The Joint Lead Managers have represented, warranted and undertaken to the Issuer and the Guarantor that it has not offered or sold, and will not offer or sell, any New Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of the Joint Lead Managers or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes.

Terms used in the paragraph above have the meanings given to them by Regulation S under the Securities Act.

## **UNITED KINGDOM**

The Joint Lead Managers have represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any New Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.



## HONG KONG

The Joint Lead Managers have represented, warranted and undertaken that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any New Notes other than (i) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**SFO**”) and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the SFO and any rules made under that Ordinance.

## PEOPLE’S REPUBLIC OF CHINA

The Joint Lead Managers have represented, warranted and undertaken that the New Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong, Macau or Taiwan), except as permitted by the securities laws of the PRC.

## SINGAPORE

The Joint Lead Managers have acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Joint Lead Managers have represented, warranted and undertaken that it has not offered or sold any New Notes or caused such New Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such New Notes or cause such New Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## JAPAN

The New Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”) and, accordingly, the Joint Lead Managers have represented, warranted and undertaken that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any New Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **BRITISH VIRGIN ISLANDS**

The Joint Lead Managers have represented warranted and agreed that it has not made and will not make any invitation to the public in the British Virgin Islands to offer or sell the New Notes.

## **TAIWAN**

The New Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority pursuant to relevant securities laws and regulations and may not be offered, issued or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission and/or other regulatory authority of Taiwan.

## **MACAU**

The New Notes may not be promoted, distributed, sold or delivered in Macau, or any document relating to the New Notes be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the New Notes in Macau. The New Notes are not registered or otherwise authorised for public offer under the Financial System Act of Macau, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

## GENERAL INFORMATION

1. **Clearing Systems:** The Notes have been accepted for clearance through Euroclear and Clearstream under Common Code number 124601681 and the International Securities Identification Number for the Notes is XS1246016817.
2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Notes, the Trust Deed and the Agency Agreement. The issue of the Notes (including the New Notes) was authorised by resolutions of the board of directors of the Issuer passed on 1 June 2015 and 25 June 2015. The Guarantor has obtained all consents, approvals and authorisations in connection with the giving of the Guarantee of the Notes and the performance of its obligations under the Trust Deed, the Guarantee of the Notes and the Agency Agreement. The giving of the Guarantee of the Notes was authorised by resolutions of the board of directors of the Guarantor passed on 29 May 2015.
3. **No Material Adverse Change:** Except as disclosed in this Offering Circular, there has been no material adverse change since 31 December 2014 in the financial or trading position, prospects or results of operations of the Guarantor or the Group. There has been no material adverse change in the financial or trading position, prospects or results of operations of the Issuer since the date of its incorporation, 14 May 2015.
4. **Litigation:** None of the Issuer, the Guarantor or any member of the Group is involved in any litigation or arbitration proceedings, which the Issuer, the Guarantor or the Group, as the case may be, believes are material in the context of the Notes and the giving of the Guarantee of the Notes and, so far as the Issuer or the Guarantor is aware, no such litigation or arbitration proceedings are pending or threatened which are material in the context of the Notes and the giving of the Guarantee of the Notes.
5. **Listing of the Notes:** Approval-in-principle has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Approval-in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries, their respective associated companies (if any), the Deed of Guarantee or the Notes. Subject to the approval of the SGX-ST, the Notes will be traded on the SGX-ST in a minimum board lot size of not less than CNY1,000,000 (or its equivalent in other currencies) as long as any of the Notes are listed on the SGX-ST.
6. **Available Documents:** As long as any Note is outstanding, copies of the following documents will be available for inspection during normal business hours at the specified office of the Principal Paying Agent at One Canada Square, London E14 5AL, United Kingdom:
  - (a) articles of association (or equivalent) of the Issuer and the Guarantor;
  - (b) copies of the audited consolidated financial statements of the Group as at and for the year ended 31 December 2014;
  - (c) the Agency Agreement and the Supplemental Agency Agreement;
  - (d) the Trust Deed and the Supplemental Trust Deed; and
  - (e) the Deed of Guarantee.

7. **Independent Auditors of the Group:** The Group's consolidated financial information as at and for the years ended 31 December 2013 and 2014 has been derived from the Guarantor's audited consolidated financial statements as at and for the year ended 31 December 2014, which have been audited by China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所), the independent auditors of the Group. Such financial statements have only been prepared in Chinese, an English translation of which has been prepared and included elsewhere in this Offering Circular for reference only. The English Translated Guarantor's Financial Statements do not themselves constitute audited financial statements, and are qualified in their entirety by, and are subject to the more detailed information and the financial information set out or referred to in, the Guarantor's Financial Statements which are included elsewhere in this Offering Circular. Neither the Joint Lead Managers nor their respective affiliates, officers, directors, employees, agents and advisers has independently verified or checked the accuracy of such translation and can give no assurance that the information contained in such translation is accurate, truthful or complete.
  
8. **Auditor's Consent of the Group:** China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所) has given and not withdrawn its written consent to the reproduction of their audit report dated 20 April 2015 on the Group's consolidated financial information as at and for the years ended 31 December 2013 and 2014 in this Offering Circular and with references to China Audit Asia Pacific Certified Public Accountants LLP (中審亞太會計師事務所) in the form and context in which they appear.

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The Group's consolidated financial statements as at and for the year ended 31 December 2014 have only been prepared in Chinese and an English translation of which has been prepared and included in this Offering Circular for reference only. The English Translated Guarantor's Financial Statements do not themselves constitute audited financial statements, and are qualified in their entirety by, and are subject to the more detailed information and the financial information set out or referred to in the Guarantor's Financial Statements which are included elsewhere in the Offering Circular. Neither the Joint Lead Managers nor its affiliates, directors, employees and advisers has independently verified or checked the accuracy of such translation and can give no assurance that the information contained in such translation is accurate, truthful or complete.



中审亚太会计师事务所（特殊普通合伙）

China Audit Asia Pacific Certified Public Accountants LLP

# 审计报告

## AUDIT REPORT

Haikou Meilan International Airport Company Limited  
2014 Financial Audit Report

中国·海口  
HAIKOU CHINA

# **Audit Report**

Zhong Shen Ya Tai Shen Zi (2015) No. 010663

## **To the Board of Haikou Meilan International Airport Company Limited**

We have audited the accompanying Financial Statements of Haikou Meilan International Airport Company Limited (hereinafter referred to as the “Company”), which comprises the parent company and consolidated balance sheets as at 31 December 2014, the parent company and consolidated income statement, the parent company and consolidated statement of changes in owners’ equity, the parent company and consolidated cash flow statement, and notes to the financial statements for the year ended 31 December 2014.

### **I. Management’s Responsibility for the Consolidated Financial Statements**

Management of the Company is responsible for the preparation and fair presentation of these financial statements. Those responsibilities include: (1) preparing these financial statements in accordance with Accounting Standards for Business Enterprises in order to fairly reflect its financial condition; and (2) designing, implementing and maintaining necessary internal control in order to ensure these financial statements are free from material misstatement, whether due to fraud or error.

### **II. Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. These standards require that we comply with ethical requirements for PRC certified public accountants and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### III. Opinion

In our opinion, the consolidated financial statements of the Company are prepared in accordance with Accounting Standards for Business Enterprises. The parent company and consolidated financial position of the Company for the year ended 31 December 2014, and the parent company and consolidated operating results and cash flows for the year ended 31 December 2014 are fairly presented in all material respects.



中审亚太会计师事务所(特殊普通合伙)

China Audit Asia Pacific Certified  
Public Accountants LLP

Beijing, China

PRC Certified Public  
Accountants:  
Wu Jiancheng



PRC Certified Public  
Accountants:  
Hu Yonggang



20 April 2015



## CONSOLIDATED BALANCE SHEET

31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	At 31 December 2014	At 31 December 2013
<b>Current assets:</b>			
Cash at bank and on hand	5.1	3,063,471,199.88	3,754,913,456.95
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	5.2	283,392,229.24	256,406,312.90
Prepayments	5.4	68,028,017.69	33,236,301.64
Interest receivables		2,269,667.00	5,293,245.00
Dividend receivables			
Other receivables	5.3	1,902,063,567.84	1,363,002,040.52
Inventories	5.5	74,618,020.76	91,760,667.93
Assets classified as held for sale			
Non-current assets due within one year		14,467,747.51	
Other current assets	5.6	2,895,883.49	5,392,351.21
<b>Total current assets</b>		<b>5,411,206,333.41</b>	<b>5,510,004,376.15</b>
<b>Non-current assets:</b>			
Available-for-sale financial assets	5.7	5,321,962,612.57	3,271,720,340.85
Held-to-maturity investments	5.8	1,004,690,774.79	1,003,811,814.64
Long-term receivables		380,000,000.00	
Long-term equity investments	5.9	1,514,130,540.84	1,339,285,826.45
Investment property	5.11	285,998,097.51	229,752,395.00
Fixed assets	5.12	1,823,509,060.60	1,811,184,629.15
Construction in progress	5.13	464,476,103.27	109,881,093.76
Construction materials			
Disposal of fixed assets			
Productive biological assets			
Oil and gas assets			
Intangible assets	5.14	337,575,688.95	347,126,402.67
Research and development expenditure			
Goodwill	5.15	12,315,845.19	12,315,845.19
Long-term deferred expenses		28,758,462.65	20,347,863.25
Deferred income tax assets	5.16	13,723,138.37	9,594,959.07
Other non-current assets		533,844,275.05	57,393,514.57
<b>Total non-current assets</b>		<b>11,720,984,599.79</b>	<b>8,212,414,684.60</b>
<b>Total assets</b>		<b>17,132,190,933.20</b>	<b>13,722,419,060.75</b>

Legal representative:



Person in charge of  
accounting function:



Person in charge of  
accounting department:



## CONSOLIDATED BALANCE SHEET (Continued)

31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	At 31 December 2014	At 31 December 2013
<b>Current liabilities:</b>			
Short-term loans	5.18	1,581,000,000.00	1,163,312,000.00
Loans from central banks			
Deposits from customers and interbank placement			
Loans from other banks			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	5.19	570,000,000.00	90,000,000.00
Accounts payable	5.20	136,542,957.38	121,459,148.38
Advances from customers	5.21	58,009,365.14	11,439,040.22
Financial assets sold under repurchase agreement			
Handling fees and commission payable			
Employee benefits payable	5.22	58,397,271.36	51,645,340.71
Tax payables	5.23	45,920,786.96	27,799,287.15
Interest payables	5.24	145,071,142.99	140,772,034.97
Dividend payables	5.25	5,499,500.00	666,000.00
Other payables	5.26	326,284,074.65	252,105,327.49
Reinsurance payables			
Provision for insurance contracts			
Customer brokerage deposits			
Underwriting proceed payables			
Liabilities classified as held for sale			
Non-current liabilities due within one year	5.27	782,170,077.86	1,230,122,201.40
Other current liabilities			
<b>Total current liabilities</b>		<b>3,708,895,176.34</b>	<b>3,089,320,380.32</b>
<b>Non-current liabilities:</b>			
Long-term loans	5.28	2,143,922,619.94	2,094,618,713.78
Bonds payables	5.29	3,393,619,030.00	2,392,365,219.00
Of which: Preference shares			
Perpetual bonds			
Long-term payables	5.30	443,019,701.97	384,710,757.61
Long-term employee benefits payable			
Special payables			
Estimated liabilities			
Deferred income	5.31	182,670,464.74	92,826,331.00
Deferred income tax liabilities	5.16	176,076,590.68	93,945,974.05
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>6,339,308,407.33</b>	<b>5,058,466,995.44</b>
<b>Total liabilities</b>		<b>10,048,203,583.67</b>	<b>8,147,787,375.76</b>
<b>Owners' equity:</b>			
Paid-up capital	5.32	2,519,109,181.00	2,028,913,102.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserve	5.33	1,261,416,843.90	769,004,227.59
Less: Treasury stock			
Other comprehensive income	5.34	474,466,139.43	219,993,911.88
Special reserve		5,804,057.87	3,882,477.26
Surplus reserve	5.35	22,452,391.43	18,806,460.60
General risk reserve			
Retained earnings	5.36	1,231,351,203.79	1,074,747,453.88
Total equity attributable to shareholders of the parent company		5,514,599,817.42	4,115,347,633.21
Minority interests		1,569,387,532.11	1,459,284,051.78
<b>Total owners' equity</b>		<b>7,083,987,349.53</b>	<b>5,574,631,684.99</b>
<b>Total liabilities and owners' equity</b>		<b>17,132,190,933.20</b>	<b>13,722,419,060.75</b>

Legal representative:



Person in charge of accounting function:



Person in charge of accounting department:



## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	2014	2013
<b>I. Total operating income</b>		<b>3,660,416,797.76</b>	<b>3,438,621,078.68</b>
Including: Operating income	5.37	3,660,416,797.76	3,438,621,078.68
Interest income			
Insurance premiums earned			
Handling fees and commission income			
<b>II. Total operating costs</b>		<b>3,381,997,511.84</b>	<b>3,291,770,877.20</b>
Including: Operating costs	5.37	2,908,909,320.87	2,771,632,297.11
Interest expenses			
Handling fees and commission expenses			
Surrender payment			
Net expenditure for compensation payments			
Net provision for insurance contracts			
Expenditures for insurance policy dividend			
Reinsurance costs			
Business taxes and surcharges	5.38	24,098,691.70	39,736,576.73
Selling expenses		42,137,902.18	41,570,026.28
Administrative expenses		112,935,174.69	106,457,745.45
Finance costs	5.39	279,053,304.82	331,534,033.68
Impairment losses on assets	5.40	14,863,117.58	840,197.95
Add: Gains from changes in fair value (loss in "-")	5.41	56,245,702.51	10,187,414.00
Investment income (loss in "-")	5.42	109,688,820.77	293,588,664.10
Including: Income from investments in associates and joint ventures			
Exchange gains (loss in "-")			
<b>III. Operating profits (loss in "-")</b>		<b>444,353,809.20</b>	<b>450,626,279.58</b>
Add: Non-operating income	5.43	33,084,145.05	5,453,246.38
Including: Gains from disposal of non-current assets		57,422.52	6,602.25
Less: Non-operating expenses	5.44	8,307,712.27	3,264,030.25
Including: Losses on disposal of non-current assets		5,948,455.38	1,668,242.22
<b>IV. Total profits (loss in "-")</b>		<b>469,130,241.98</b>	<b>452,815,495.71</b>
Less: Income tax expenses	5.45	126,037,394.23	61,879,136.14
<b>V. Net profits (loss in "-")</b>		<b>343,092,847.75</b>	<b>390,936,359.57</b>
Net profits attributable to shareholders of parent company		168,249,680.74	200,776,451.21
Profits and losses of minority interests		174,843,167.01	190,159,908.36
<b>VI. Other comprehensive income after tax</b>		<b>254,472,227.55</b>	<b>-17,724,615.87</b>
Other comprehensive income after tax attributable to shareholders of parent company		254,472,227.55	-17,724,615.87
(1) Other comprehensive income that will not reclassified subsequently to profit or loss			
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans			
2. Shares of other comprehensive income of investees that may not be reclassified to profit or loss under the equity method			
(2) Other comprehensive income that may be reclassified subsequently to profit or loss		254,472,227.55	-17,724,615.87
1. Share of other comprehensive income (that will be reclassified subsequently to profit or loss) of investees accounted for using equity method		50,264,654.55	-1,186,678.62
2. Fair value gains or losses on available-for-sale financial assets		204,207,573.00	-16,537,937.25
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets			
4. Effective portion of cash flow adjusted for hedging gains or losses			
5. Exchange differences from retranslation of financial statements			
6. Others			
Other comprehensive income after tax attributable to minority interests			
<b>VII. Total comprehensive income</b>		<b>597,565,075.30</b>	<b>373,211,743.70</b>
Total comprehensive income attributable to shareholders of parent company		422,721,908.29	183,051,835.34
Total comprehensive income attributable to minority interests		174,843,167.01	190,159,908.36
<b>VIII. Earnings per share:</b>			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Legal representative:



Person in charge of accounting function:



Person in charge of accounting department:



## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	2014	2013
<b>I. Cash flows from operating activities:</b>			
Cash received from the sales of goods and provision of services		4,122,324,550.84	3,926,151,096.64
Tax refunded		488,308.96	645,116.93
Cash received from other operating activities		125,470,980.96	396,634,219.77
<b>Subtotal of cash inflow from operating activities</b>		<b>4,248,283,840.76</b>	<b>4,323,430,433.34</b>
Cash paid for the purchases of goods and receiving of services		3,064,141,946.37	2,972,544,436.07
Cash paid for employees and on behalf of employees		210,532,005.65	174,031,962.75
Tax paid		170,161,541.55	126,848,512.91
Cash paid for other operating activities		196,745,327.91	287,088,599.00
<b>Subtotal of cash outflow from operating activities</b>		<b>3,641,580,821.48</b>	<b>3,560,513,510.73</b>
<b>Net cash flow from operating activities</b>		<b>606,703,019.28</b>	<b>762,916,922.61</b>
<b>II. Cash flows from investing activities:</b>			
Cash received from the investments			12,511,842.47
Cash received from the investment income		105,468,783.42	266,876,036.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		665,733.00	303,878.70
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			3,000,000.00
<b>Subtotal of cash inflow from investing activities</b>		<b>106,134,516.42</b>	<b>282,691,757.77</b>
Cash paid for purchases of fixed assets, intangible assets and other long-term assets		798,079,474.90	133,578,297.05
Cash paid for investments		1,858,478,000.00	
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business units			
Cash paid for other investing activities		380,000,000.00	
<b>Subtotal of cash outflow from investing activities</b>		<b>3,036,557,474.90</b>	<b>133,578,297.05</b>
<b>Net cash flow from investing activities</b>		<b>-2,930,422,958.48</b>	<b>149,113,460.72</b>
<b>III. Cash flows from financing activities:</b>			
Cash received from the acquisition of investments		1,000,000,000.00	
Including: Cash received from the acquisition of minority interests of subsidiaries			
Cash received from borrowings		2,649,000,000.00	3,574,537,000.00
Cash received from issuance of bonds		986,500,000.00	
Cash received for other financing activities		200,000,000.00	525,000,000.00
<b>Subtotal of cash inflow from financing activities</b>		<b>4,835,500,000.00</b>	<b>4,099,537,000.00</b>
Cash paid for repayments of borrowings		2,684,310,011.23	2,586,548,779.68
Cash paid for distribution of dividend, profit or payments of interests		520,878,905.25	456,948,945.53
Including: Cash paid for the dividend and profit to minority shareholders of subsidiaries		4,571,565.00	
Cash paid for other financing activities		196,839,455.00	427,633,995.00
<b>Subtotal of cash outflow from financing activities</b>		<b>3,402,028,371.48</b>	<b>3,471,131,720.21</b>
<b>Net cash flow from financing activities</b>		<b>1,433,471,628.52</b>	<b>628,405,279.79</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>		<b>-1,193,946.39</b>	<b>-264,079.40</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>-891,442,257.07</b>	<b>1,540,171,583.72</b>
Add: Cash and cash equivalents at beginning of the period		3,689,913,456.95	2,149,741,873.23
<b>VI. Cash and cash equivalents at end of the period</b>		<b>2,798,471,199.88</b>	<b>3,698,913,456.95</b>

Legal representative:



Person in charge of accounting function:



Person in charge of accounting department:



# CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2014

Prepared by Haikou Meilian International Airport Company Limited

Expressed in RMB

Item	Amount for the year							Amount for the previous year												
	Paid-up capital	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total owners' equity	Paid-up capital	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Minority interests	Total owners' equity
I. Balance at 31 December 2013	2,028,913,102.00	769,004,227.59		219,993,911.88	3,882,477.24	18,806,460.66		1,074,747,453.88	1,459,284,051.78	5,574,631,684.99	2,028,913,102.00	769,004,227.59		237,718,527.75	1,914,510.13	10,804,704.98		874,228,088.86	1,342,620,848.53	5,265,204,009.79
ADP charges in accordance with accounting policies																				
Correction of errors																				
Business combination under common control																				
Others																				
II. Balance at 1 January 2014	2,028,913,102.00	769,004,227.59		219,993,911.88	3,882,477.24	18,806,460.66	1,074,747,453.88	1,459,284,051.78	5,574,631,684.99	2,028,913,102.00	769,004,227.59		237,718,527.75	1,914,510.13	10,804,704.98		889,972,758.28	1,342,620,848.53	5,280,948,679.27	
III. Changes during the period (decrease in plus, increase in minus)	490,196,079.00	492,412,616.31		254,472,227.55	1,921,580.66	3,645,930.83	156,603,749.91	110,103,480.33	1,309,355,664.54											
(I) Total comprehensive income				254,472,227.55			168,349,880.74	174,843,167.01	597,565,075.36											
(II) Owners' contribution and contribution and capital reduction	490,196,079.00	509,803,921.00							1,000,000,000.00											
1. Capital from owners	490,196,079.00	509,803,921.00							1,000,000,000.00											
2. Capital from other equity instruments																				
3. Share payments recognised in owners' equity																				
4. Others																				
(III) Profit distribution																				
1. Provision of surplus reserve						3,645,930.83	-11,645,930.83	-49,387,165.25	-57,387,165.25											
2. Provision of general risk reserve						3,645,930.83	-3,645,930.83													
3. Distribution to owners							-8,000,000.00	-49,387,165.25	-57,387,165.25											
4. Others																				
(IV) Internal settlement and transfer of owners' equity																				
1. Transfer of capital reserve to paid-up capital (or share capital)																				
2. Transfer of surplus reserve to paid-up capital (or share capital)																				
3. Offset of surplus reserve with losses																				
4. Others																				
(V) Special reserve																				
1. Provided during the period					1,921,580.66				1,921,580.66											
2. Utilised during the period					1,921,580.66															
(VI) Balance at 31 December 2014	2,519,109,181.00	1,261,416,843.90		474,466,139.43	5,804,057.87	22,452,391.49	1,231,351,203.79	1,569,387,232.11	7,083,987,349.53	2,028,913,102.00	769,004,227.59		219,993,911.88	3,882,477.24	18,806,460.66		1,074,747,453.88	1,459,284,051.78	5,574,631,684.99	



Person in charge of accounting department:

Person in charge of accounting function:

Legal representative:

## BALANCE SHEET OF THE PARENT COMPANY

31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	At 31 December 2014	At 31 December 2013
<b>Current assets:</b>			
Cash at bank and on hand		1,122,707,830.70	697,151,847.21
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	10.1	16,288,356.35	9,307,935.93
Prepayments		12,287,715.82	15,278,405.59
Interest receivables			
Dividend receivables			
Other receivables	10.2	1,855,086,082.43	1,356,386,504.97
Inventories			
Assets classified as held for sale			
Non-current assets due within one year		14,467,747.51	
Other current assets			
<b>Total current assets</b>		<b>3,020,837,732.81</b>	<b>2,078,124,693.70</b>
<b>Non-current assets:</b>			
Available-for-sale financial assets		5,321,962,612.57	3,271,720,340.85
Held-to-maturity investments		1,004,690,774.79	1,003,811,814.64
Long-term receivables			
Long-term equity investments	10.3	746,550,539.40	572,113,541.01
Investment property		285,998,097.51	229,752,395.00
Fixed assets		749,867,560.74	690,957,742.51
Construction in progress		338,487,470.85	97,660,913.49
Construction materials			
Disposal of fixed assets			
Productive biological assets			
Oil and gas assets			
Intangible assets		179,635,971.67	181,619,740.12
Research and development expenditure			
Goodwill			
Long-term deferred expenses		28,758,462.65	20,347,863.25
Deferred income tax assets		566,622.37	528,035.07
Other non-current assets		54,150,651.05	57,393,514.57
<b>Total non-current assets</b>		<b>8,710,668,763.60</b>	<b>6,125,905,900.51</b>
<b>Total assets</b>		<b>11,731,506,496.41</b>	<b>8,204,030,594.21</b>

Legal representative:



Person in charge of  
accounting function:



Person in charge of  
accounting department:



## BALANCE SHEET OF THE PARENT COMPANY (Continued)

31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	At 31 December 2014	At 31 December 2013
<b>Current liabilities:</b>			
Short-term loans		1,510,000,000.00	1,013,312,000.00
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable		570,000,000.00	90,000,000.00
Accounts payable		106,794,037.56	107,056,949.25
Advances from customers			
Employee benefits payable		22,405,889.83	18,153,549.21
Tax payables		3,785,240.72	9,831,706.02
Interest payables		94,654,182.99	89,025,271.97
Dividend payables			
Other payables		616,214,330.10	349,360,067.56
Liabilities classified as held for sale			
Non-current liabilities due within one year		337,496,105.86	1,091,796,029.40
Other current liabilities			
<b>Total current liabilities</b>		<b>3,261,349,787.06</b>	<b>2,768,535,573.41</b>
<b>Non-current liabilities:</b>			
Long-term loans		871,000,000.00	370,000,000.00
Bonds payables		2,600,000,000.00	1,600,000,000.00
Of which: Preference shares			
Perpetual bonds			
Long-term payables		376,724,365.97	297,222,694.61
Long-term employee benefits payable			
Special payables			
Estimated liabilities			
Deferred income		163,587,864.74	74,490,000.00
Deferred income tax liabilities		176,076,590.68	93,945,974.05
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>4,187,388,821.39</b>	<b>2,435,658,668.66</b>
<b>Total liabilities</b>		<b>7,448,738,608.45</b>	<b>5,204,194,242.07</b>
<b>Owners' equity:</b>			
Paid-up capital		2,519,109,181.00	2,028,913,102.00
Other equity instruments			
Of which: Preference shares			
Perpetual bonds			
Capital reserve		1,072,923,983.87	563,120,062.87
Less: Treasury stock			
Other comprehensive income		474,466,139.43	219,993,911.88
Special reserve			
Surplus reserve		22,452,391.43	18,806,460.60
General risk reserve			
Retained earnings		193,816,192.23	169,002,814.79
<b>Total owners' equity</b>		<b>4,282,767,887.96</b>	<b>2,999,836,352.14</b>
<b>Total liabilities and owners' equity</b>		<b>11,731,506,496.41</b>	<b>8,204,030,594.21</b>

Legal representative:



Person in charge of  
accounting function:



Person in charge of  
accounting department:



## INCOME STATEMENT OF THE PARENT COMPANY

For the year ended 31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	2014	2013
<b>I. Operating income</b>	10.4	236,648,923.82	193,256,028.09
Less: Operating costs	10.4	147,197,318.82	116,592,513.12
Business taxes and surcharges		5,882,755.99	15,604,753.95
Selling expenses			
Administrative expenses		40,595,946.38	50,519,428.40
Finance costs		189,777,798.05	275,214,908.12
Impairment losses on assets		154,349.17	301,485.95
Add: Gains from changes in fair value (loss in "-")		56,245,702.51	10,187,414.00
Investment income (loss in "-")	10.5	123,383,654.77	337,707,000.10
Including: Income from investments in associates and joint ventures			
<b>II. Operating profits (loss in "-")</b>		<b>32,670,112.69</b>	<b>82,917,352.65</b>
Add: Non-operating income		22,579,770.03	2,824,919.22
Including: Gains from disposal of non-current assets		55,552.00	6,602.25
Less: Non-operating expenses		4,767,736.12	2,990,850.20
Including: Losses on disposal of non-current assets		2,745,472.11	1,614,363.17
<b>III. Total profits (loss in "-")</b>		<b>50,482,146.60</b>	<b>82,751,421.67</b>
Less: Income tax expenses		14,022,838.33	2,733,865.61
<b>IV. Net profits (loss in "-")</b>		<b>36,459,308.27</b>	<b>80,017,556.06</b>
<b>V. Other comprehensive income after tax</b>		<b>254,472,227.55</b>	<b>-17,724,615.87</b>
(1) Other comprehensive income that will not be reclassified subsequently to profit or loss			
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans			
2. Shares of other comprehensive income of investees that may not be reclassified to profit or loss under the equity method			
(2) Other comprehensive income that may be reclassified subsequently to profit or loss		254,472,227.55	-17,724,615.87
1. Share of other comprehensive income (that will not be reclassified subsequently to profit or loss) of investees accounted for using equity method		50,264,654.55	-1,186,678.62
2. Fair value gains or losses on available-for-sale financial assets		204,207,573.00	-16,537,937.25
3. Gains or losses from reclassifying held-to-maturity investments to available-for-sale financial assets			
4. Effective portion of cash flow adjusted for hedging gains or losses			
5. Exchange differences from retranslation of financial statements			
6. Others			
<b>VI. Total comprehensive income</b>		<b>290,931,535.82</b>	<b>62,292,940.19</b>

Legal representative:



Person in charge of accounting function:



Person in charge of accounting department:





## CASH FLOW STATEMENT OF THE PARENT COMPANY

For the year ended 31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Notes	2014	2013
<b>I. Cash flows from operating activities:</b>			
Cash received from the sales of goods and provision of services		245,419,528.48	193,998,150.52
Tax refunded		23,421.96	98,116.93
Cash received from other operating activities		352,910,126.55	250,354,157.03
<b>Subtotal of cash inflow from operating activities</b>		<b>598,353,076.99</b>	<b>444,450,424.48</b>
Cash paid for the purchases of goods and receiving of services		40,513,082.89	38,772,461.01
Cash paid for employees and on behalf of employees		86,803,882.13	73,592,119.09
Tax paid		23,176,881.58	7,414,669.06
Cash paid for other operating activities		160,058,668.25	114,660,743.45
<b>Subtotal of cash outflow from operating activities</b>		<b>310,552,514.85</b>	<b>234,439,992.61</b>
<b>Net cash flow from operating activities</b>		<b>287,800,562.14</b>	<b>210,010,431.87</b>
<b>II. Cash flows from investing activities:</b>			
Cash received from the investments			511,842.47
Cash received from the investment income		110,468,783.42	337,926,036.60
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			235,000.00
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
<b>Subtotal of cash inflow from investing activities</b>		<b>110,468,783.42</b>	<b>338,672,879.07</b>
Cash paid for purchases of fixed assets, intangible assets and other long-term assets		256,844,925.97	87,100,807.79
Cash paid for investments		1,858,478,000.00	
Net cash paid for acquisition of subsidiaries and other business units			
Cash paid for other investing activities			
<b>Subtotal of cash outflow from investing activities</b>		<b>2,115,322,925.97</b>	<b>87,100,807.79</b>
<b>Net cash flow from investing activities</b>		<b>-2,004,854,142.55</b>	<b>251,572,071.28</b>
<b>III. Cash flows from financing activities:</b>			
Cash received from the acquisition of investments		1,000,000,000.00	
Cash received from borrowings		2,356,000,000.00	1,563,312,000.00
Cash received from issuance of bonds		986,500,000.00	
Cash received for other financing activities		200,000,000.00	405,000,000.00
<b>Subtotal of cash inflow from financing activities</b>		<b>4,542,500,000.00</b>	<b>1,968,312,000.00</b>
Cash paid for repayments of borrowings		2,193,312,000.00	2,002,401,800.00
Cash paid for distribution of dividend, profit or payments of interests		297,290,072.10	274,630,413.64
Cash paid for other financing activities		109,288,364.00	414,488,501.00
<b>Subtotal of cash outflow from financing activities</b>		<b>2,599,890,436.10</b>	<b>2,691,520,714.64</b>
<b>Net cash flow from financing activities</b>		<b>1,942,609,563.90</b>	<b>-723,208,714.64</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>			
<b>V. Net increase in cash and cash equivalents</b>		<b>225,555,983.49</b>	<b>-261,626,211.49</b>
Add: Cash and cash equivalents at beginning of the period		632,151,847.21	893,778,058.70
<b>VI. Cash and cash equivalents at end of the period</b>		<b>857,707,830.70</b>	<b>632,151,847.21</b>

Legal representative:



Person in charge of accounting function:



Person in charge of accounting department:



**STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY**  
For the year ended 31 December 2014

Prepared by Haikou Meilan International Airport Company Limited

Expressed in RMB

Item	Amount for the year							Amount for the previous year												
	Paid-up capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Total owners' equity	Paid-up capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Others							Preference shares	Perpetual bonds	Others							
I. Balance at 31 December 2013	2,028,913,102.00		563,120,062.87		219,993,911.88		18,806,460.00		169,002,814.79	2,999,836,352.14	2,028,913,102.00		563,120,062.87		237,718,527.75		10,804,704.99		89,242,344.84	2,929,798,742.47
ADD: Changes in accounting policies																				
Correction of errors																				
II. Balance at 1 January 2014	2,028,913,102.00		563,120,062.87		219,993,911.88		18,806,460.00		169,002,814.79	2,999,836,352.14	2,028,913,102.00		563,120,062.87		237,718,527.75		10,804,704.99		104,987,014.34	2,945,543,411.95
III. Changes during the period (Decrease in "+")	490,196,079.00		509,803,921.00		254,472,227.55		3,645,930.83		24,813,377.44	1,282,931,535.82					-17,724,615.87		8,001,755.61		64,015,800.45	54,292,940.19
(I) Total comprehensive income					254,472,227.55				36,459,308.27	290,931,535.82					-17,724,615.87				80,017,556.06	62,292,940.19
(II) Owners' contribution and capital reduction	490,196,079.00		509,803,921.00							1,000,000,000.00										
1. Capital from owners																				
2. Capital from owners of other equity instruments																				
3. Share payments recognised in owners' equity																				
4. Others																				
(III) Profit distribution																				
1. Provision of surplus reserve							3,645,930.83		-11,645,930.83	-8,000,000.00							8,001,755.61		-16,001,755.61	-8,000,000.00
2. Provision of general risk reserve							3,645,930.83		-3,645,930.83								8,001,755.61		-8,001,755.61	
3. Distribution to owners									-8,000,000.00	-8,000,000.00										-8,000,000.00
4. Others																				
(IV) Internal settlement and transfer of owners' equity																				
1. Transfer of capital reserve to paid-up capital (or share capital)																				
2. Transfer of surplus reserve to paid-up capital (or share capital)																				
3. Offset of surplus reserve with losses																				
4. Others																				
(V) Special reserve																				
1. Provided during the period																				
2. Used during the period																				
(VI) Others																				
IV. Balance at 31 December 2014	2,519,109,181.00		1,075,923,983.87		474,466,139.43		22,452,391.43		193,816,192.23	4,282,767,887.94	2,028,913,102.00		563,120,062.87		219,993,911.88		18,806,460.00		189,002,814.79	2,999,836,352.14



Person in charge of accounting department

Person in charge of accounting function

Legal representative:

# Haikou Meilan International Airport Company Limited

## Notes to 2014 Financial Statements

### Note 1 Company Profile

Haikou Meilan International Airport Company Limited (the “Company”), formerly known as Haikou Meilan Airport Company Limited, changed to its current name as approved by the Administration for Industry and Commerce on 4 March 2004. The Company was a limited liability company incorporated and registered in Hainan Administration for Industry and Commerce on 25 August 1998, joint established and contributed by CAAC Central and Southern Regional Administration, Hainan Airlines Co., Ltd., Hainan International Trust And Investment Corporation and China National Aviation Fuel Supply Co., Ltd., with a registered share capital of RMB652.00 million. The Company made amendments to its Articles of Association in August 2000, and changed its shareholders and increased its registered share capital in August 2002. Such changes were approved by the Hainan Administration for Industry and Commerce. The Company made amendments to its Articles of Association, and changed its shareholders and increased its registered share capital in December 2004, and its registered share capital after such changes was RMB1,486.83 million. The Company made amendments to its Articles of Association, and changed its shareholders and increased its registered share capital in March 2007, and its registered share capital after such changes was RMB1,979.78 million. The Company made amendments to its Articles of Association, and changed its shareholders and increased its registered share capital in August 2008, and its registered share capital after such changes was RMB2,028.9131 million. The Company made amendments to its Articles of Association and changed its shareholders in November 2011. The Company renewed the Business License For Enterprise Legal Person No.460000000101216. The Company made further amendments to its Articles of Association, and increased its shareholders and its registered share capital in August 2014, and its registered share capital after such changes was RMB2,519.1092 million. The Company was handling the changes for business registration as of the reporting date.

After the amendment to the Articles of Association, the shareholders of the Company changed to HNA Airport Group Co., Ltd., Hainan Development Holding Co., Ltd., Hainan Airlines Co., Ltd., China Southern Airlines Company Limited, China Aviation Oil Supply Limited Corporation, Yangpu Lianhai Industry and Trade Co., Ltd., Gansu Highway Aviation Tourism Investment Group Co., Ltd., and Hainan Hanghui Agriculture Development Co., Ltd. The legal representative of the Company is Liang Jun. The scope of business of the Company includes: operational business and planning, development and management of Haikou Meilan Airport; aviation and transportation services, aviation sales agency, aviation ground transportation services agency, real estate investment, airport ground and equipment leasing, storage services(excluding hazardous goods); sales of general merchandise, hardware tools, electricity business, apparels and art wares sales (only limited to branches); sales of water and electricity. The address of the Company is Meilan International Airport, Meilan District, Haikou.

### Note 2 Significant accounting policies, accounting estimates and correction of prior period errors

#### 2.1 Basis of preparation of financial statements

The financial statements of the Company are prepared on a going concern basis, and their recognition and measurement are made based on actual transactions and events and in accordance with the China Accounting Standards for Business Enterprises (“CASBE”).

## **2.2 Statement of compliance with the CASBE**

The financial statements prepared by the Company are in line with requirements of the CASBE. These financial statements give a true and complete view of the financial position, the results of operation and the cash flow of the Company.

## **2.3 Accounting period**

The accounting period of the Company is divided into annual and interim periods, and the interim accounting period includes half-year, quarterly and monthly ones. The start and end dates of each of the annual, half-year, quarterly and monthly accounting periods are determined by calendar dates. The accounting year of the Company commences on 1 January and ends on 31 December each year.

## **2.4 Functional currency**

The functional currency of the Company is Renminbi (RMB). (If the functional currency is the currency other than RMB, please state the factors considered when selecting the functional currency and the translation method when the currency is translated into RMB)

## **2.5 Accounting treatment for business combinations under common control and not under common control**

### **2.5.1 Business combinations under common control**

A business combination under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Generally, business combinations under common control refer to combinations between member companies of the same group. Otherwise, other business combinations are not deemed as business combinations under common control.

The assets and liabilities of the combined party obtained in a business combination by the Company as a combining party shall be measured at their carrying amount on the combination date. For a long-term equity investment formed in a consolidation under common control, the cost of such long-term equity investment is accounted using the Company's share of the carrying amount of shareholder's equity of the combined party on the combination date, and the relevant accounting treatments are set out under “long-term equity investments”. The assets and liabilities obtained in a merger under common control are recorded by the Company based on their carrying amount in the combined party. For the difference between the carrying amount of the net assets obtained by the company and the carrying amount of the consideration paid by it (or the total par value of the shares issued), the capital reserve shall be adjusted by the difference. If the capital reserve is not sufficient to be offset, the retained earnings shall be adjusted.

The direct costs incurred in the business combination of the Company as a combining party, including audit fees, valuation fees and legal services fees, shall be recorded into the profits and losses for the current period.

The fees and commissions paid for issuing bonds and bearing other debts in a business combination shall be recorded into initial measurement amount of issued bonds and other debts. The fees and commissions incurred in the issue of equity securities in a business combination shall offset the premium income of the equity securities. If the premium income is not sufficient to be offset, the retained earnings shall be offset.

If a parent-subsidary relation is established during a business combination under common control, the parent company shall prepare the consolidated financial statements including consolidated balance sheet, consolidated income statement and consolidated cash flow statement, on the combination date.

For the consolidated balance sheet, the carrying amount of assets and liabilities of the combined party shall be consolidated into consolidated financial statements, and the transactions between the combining party and the combined party on or before the combination date shall be recorded as internal transactions, and shall be offset in accordance with relevant principles of “consolidated financial statements”. The consolidated income statement and cash flow statement shall include net profit realised and cash flows occurred of the combining party and combined party from the beginning date of the combination period up to the combination date, while net profit realised and cash flows occurred of such parties during the current period shall be offset in accordance with relevant principles of consolidated financial statements.

### **2.5.2 Business combinations not under common control**

A business combination not under common control is a business combination in which all of the combining entities are not ultimately controlled by a same party or parties both before the combination.

Determination of business combination cost: business combination cost include fair value of cash or non-cash assets paid, debts issued or borne, and equity securities issued by the acquirer to the acquiree on the acquisition date. Costs incurred during a business combination shall be directly recorded into the profit or loss at the current period.

For a business combination realised through many transactions, separate financial statements and consolidated financial statements shall be treated separately for accounting:

In separate financial statements, the combination cost of the investment shall be the sum of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the additional investment cost on the acquisition date.

In consolidated financial statements, the equity interest held in the acquire prior to the acquisition date shall be remeasured according to its fair value on the acquisition date of such equity interest, and the difference between the fair value and carrying amount shall be recorded into investment gains for the current period. In the event of the equity interest held in the acquiree prior to the acquisition date involves other comprehensive income, the relevant other comprehensive income shall be converted into investment gain on the acquisition date for the current period. The combination cost of such investment refers to the sum of the fair value on the acquisition date of the equity interest held in the acquiree prior to the acquisition date and the additional investment cost on the acquisition date.

For a long-term equity investment obtained in a consolidation not under common control, the business combination cost (excluding cash dividend and profit payable by the investee) determined on the acquisition date is deemed by the Company as the cost of the long-term equity investment of the acquiree. The identifiable assets and liabilities obtained in a merger not under common control, if satisfying the recognition criteria, are recognised as assets and liabilities of the Company at fair value on the acquisition date. For the control over the acquiree or the acquiree’s identifiable assets and liabilities obtained for a consideration of non-monetary assets, the difference between the fair value and carrying amount of such non-monetary assets on the acquisition date shall be recorded as profit or loss on disposal of assets

accounted through profit or loss for the period when the combination is effected.

In a business combination not under common control, the excess amount of business combination cost over the share of fair value of identifiable assets of the acquiree shall be recognised as goodwill. In case of a combination in the form of a merger, the difference shall be presented as goodwill in separate financial statements of the parent company. In case of a combination in the form of a consolidation, the difference shall be presented as goodwill in consolidated financial statements. The difference between the business combination cost less the share of the fair value of identifiable net assets acquired from the acquiree shall be recorded into the separate income statement of the parent company for the current period. In case of a combination in the form of a merger, the difference shall be recorded into the consolidated income statement of the current combination period.

## **2.6. Basis for preparation of consolidated financial statements**

In accordance with the requirements under the CASBE No.33 – Consolidated Financial Statements, the parent company shall prepare the consolidated financial statements in accordance with other relevant materials, as adjusted by long term equity investments in subsidiaries under the equity method, based on the separate financial statements of subsidiaries which are included in consolidation by the parent company during the combination period. In consolidation, the investment, material transactions, current and unrealised profit between the parent and subsidiary companies shall be offset and consolidated item by item, and minority interests (profit or loss) shall be calculated.

In consolidation, if the accounting policies of subsidiaries are inconsistent with the accounting policies of the Company, the consolidation shall be made after adjustment in accordance with accounting policies adopted by the Company.

The share of shareholders' interest of subsidiaries not attributable to the share owned by parent company shall be presented separately as minority interests under the shareholder's equity in the consolidated financial statements.

A subsidiary included through business combination under common control shall be included in the consolidated financial statements of the Company at the beginning of the period, and relevant adjustment shall be made to the opening balance and previous balance. A subsidiary included through business combination not under common control shall be included in the consolidated financial statements of the Company on the acquisition date. For a subsidiary over which the control is transferred by the Company during the reporting period, it shall cease to be included in the consolidation from the date of loss of control.

## **2.7 Accounting measurement attribute**

### **27.1 Measurement attribute**

The book-keeping of the Company's account is prepared on an accrual basis. The initial value shall be measured at historic cost. Financial assets, financial liabilities, available-for-sale financial assets and derivative financial instruments and their fair value change through profit or loss shall be measured at fair value. Inventories and fixed assets for which the payment is deferred due to the overdue of normal credit conditions when making purchases, shall be measured at the present value of the purchasing price. In case of impairment loss occurred, such inventories may be measured at their realised net value. Other impairment assets may be measured at recoverable amount (fair value and present value, whichever is higher). Asset inventory surplus shall be calculated at replacement cost.

## **27.2 Changes to measurement attributes of items during the current period**

There are no change occurred on measurement attributes of items of financial statements during the reporting period.

## **2.8 Determination standards for cash and cash equivalents**

Cash refers to cash on hand and cash available for payment of an enterprise. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash held by an enterprise (generally refers to the amount due within 3 months from the acquisition date) and which are subject to an insignificant risk of change in value.

## **2.9 Foreign currency business**

### **2.9.1 Translation method of foreign currency transaction when occurred**

The foreign currency transactions of the Company, when initially recognised, is translated into RMB at the current exchange rate (generally the middle exchange rate on that day as quoted by the People's Bank of China, same as below) on the transaction date.

### **2.9.2 Treatment measures for the foreign currency monetary items and foreign currency nonmonetary items**

The foreign currency monetary items shall be translated at the current exchange rate on the balance sheet date. The gap arising from the difference between the current exchange rate on the balance sheet date and the current exchange rate at the time of initial recognition or on the last balance sheet date shall be recorded into profit or loss for the period, except that the exchange gap arising from foreign currency borrowings related to construction or production of assets eligible for capitalisation shall be capitalised in accordance with the CASBE No. 17 — Borrowing Costs. The foreign currency non-monetary items measured at historical cost shall still be translated at the current exchange rate on the transaction date, of which the amount of its functional currency shall remain unchanged. Foreign currency non-monetary item measured at fair value are translated at the current exchange rate on the date of determination of fair value. The difference between before and after the translation of the amount of functional currency will be treated as the changes in fair value (including changes in foreign exchange rates) and recorded through profit or loss for the period.

### **2.9.3 Translation Method of Foreign Currency Financial Statements**

According to the following provisions, the Company will translate the foreign currency financial statements into RMB financial statements.

The asset and liability items in the balance sheet shall be translated at the current exchange rate on the balance sheet date. Among the shareholder's equity items, except "retained earnings", other items shall be translated at the current exchange rate when they are incurred. The income and expense items in the income statement shall be translated at the current exchange rate on the transaction date. The gap arising from the translation of foreign currency financial statements based on the aforesaid methods shall be presented separately under the shareholder's equity in the balance sheet. Cash flows statement denominated by a foreign currency should be translated at the exchange rate on the date when the cash flows were generated. The effect of change in exchange rate on cash should be regarded as a reconciling item and presented separately in the cash flow statement.

## **2.10 Financial instruments**

### **2.10.1 Recognition of financial instruments**

Financial instruments refer to contracts forming financial assets of a company and financial liabilities or equity instruments of other entities. A financial asset or financial liability is recognised when the Company becomes one party of financial instrument contracts.

If one of the following conditions is met, a financial asset is derecognised: The right of the contract to receive the cash flows of the financial assets terminates; and the financial asset has been transferred in compliance with conditions for derecognition under CASBE No. 23 – Transfer of Financial Assets.

A financial liability is derecognised in whole or part of it only when its present obligations have been discharged in total or in part.

### **2.10.2 Classification of financial assets and financial liabilities**

Financial assets of the Company are classified according to their investment objectives and economic nature into four categories: ① financial assets at fair value through profit or loss including those held for trading and those designated as at fair value through profit or loss; ② held-to maturity investments; ③ loans and receivables; and ④ available-for-sale financial assets.

Financial liabilities are classified according to their economic nature into two categories: ① financial liabilities at fair value through profit or loss including those held for trading and those designated as at fair value through profit or loss; and ② other financial liabilities.

### **2.10.3 Measurement of financial assets and financial liabilities**

Financial assets or financial liabilities are initially recognised at fair value. In the case of financial assets or financial liabilities at fair value through profit or loss, related transaction costs are directly recognised in profit or loss for the current period. For other financial assets or financial liabilities, transaction costs that are attributable to the initial recognition amounts.

Financial assets and financial liabilities are subsequently measured primarily as the following:

- (1) Financial assets and financial liabilities at fair value through profit or loss are subsequently measured at fair value, and changes in fair value recognised in profit or loss for the current period.
- (2) Held-to-maturity investments and receivables are subsequently measured at amortised cost using the effective interest method.
- (3) Available for sale financial assets are subsequently measured at fair value. The gains and losses arising from changes in fair value of available for sale financial assets (other than impairment losses and foreign exchange gains and losses resulted from foreign currency monetary assets) are recognised as owners' equity until the financial assets are derecognised, at which point they are transferred to profit or loss for the current period.



(4) Equity investments that are not quoted in an active market and cannot be reliably measured at fair value and derivative financial instruments that are linked with and settled by delivery of such equity instruments shall be measured at cost.

(5) Other financial liabilities are subsequently measured at amortised cost save for the following:

① Derivative financial liabilities which are linked to equity instruments that are not quoted in an active market and cannot be reliably measured at fair value and settled by delivery of such equity instruments are subsequently measured at cost.

② Financial guarantee contracts which are not designated as financial liabilities at fair value through profit or loss, or loan commitments to provide a loan at a below-market interest rate which are not designated at fair value through profit or loss are subsequently measured at the higher of:

A. the amount determined in accordance with CASBE No. 13 – Contingencies.

B. the amount initially recognised less cumulative amortisation recognised in accordance with the principles set out in CASBE No. 14 - Revenue.

#### **2.10.4 Fair value measurement of financial assets and financial liabilities**

(1) If there exists an active market for the financial assets or financial liabilities, their fair value is measured at the quotation on the active market on the following principles:

① If there is an active market, the prevailing bid price on the active market is adopted for financial assets held or to be undertaken by the Company, and the prevailing ask price on the active market for financial assets to be acquired or financial liabilities undertaken.

② For those without a prevailing bid price or ask price, the market quotations in the latest transaction or those adjusted are adopted, unless there is clear evidence that the market quotations are not fair value.

(2) In the absence of an active market for the financial assets or financial liabilities, valuation techniques are adopted to recognise their fair value.

#### **2.10.5 Impairment provision for financial assets**

(1)Held-to-maturity investments

When held-to-maturity investments measured at amortised cost are impaired, its carrying amount is discounted to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) at a rate equivalent to the effective interest rate, with the reduced amount recognised in profit or loss for the current period. When making such provision, held-to-maturity investments individually amounting up to RMB10.00 million are

tested for impairment individually. Those not individually significant (up to RMB1.00 million) may be tested individually or be collectively assessed in a group with similar credit risk characteristics. An individually assessed held-to-maturity investment showed a negative result in such test is subject to a further collective test in a group with similar credit risk characteristics. Held-to-maturity investments for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

#### (2)Receivables

For impairment test and impairment provision for receivables, please see Note 2.11.

#### (3)Available for sale financial assets

If the fair value of an available for sale financial assets declines significantly or, after consideration of all relevant factors, its decline is not temporary, an impairment loss is recognised and impairment provision is made at the difference between the fair value and the carrying amount. When recognising such impairment loss, the accumulated loss recognised directly in owners' equity due to the decreased fair value is transferred to impairment loss.

#### (4)Others

If an impairment loss has been incurred on an investment in unquoted equity instruments in an active market whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such equity instrument, an impairment loss is recognised as the excess of the carrying amount of the equity investment or the derivative financial asset over its present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset in profit or loss for the current period.

### **2.10.6 Transfer of financial assets**

Transfer of financial assets refers to the transfer or delivery of financial assets to the other party (the transferee) other than the issuer of financial assets.

A financial asset is derecognised only if substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee. A financial asset is not derecognised if substantially all the risks and rewards of ownership of the financial asset are retained.

Where the Company neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it is treated as follows: if the Company has forgone control over the financial asset, the financial asset is derecognised and associated assets and liabilities are recognised; if the Company retains its control of the financial asset, the financial asset is recognised to the extent of its continuing involvement in the transferred financial asset and an associated liability is recognised.

### **2.11 Receivables**

#### **2.11.1 Recognition of bad debts**

Receivables which are recognised as unrecoverable after legal proceedings against bankrupted debtors or after the death of debtors without any estate for settlement or obligation successor, or which are approved at a general meeting or board meeting to be accounted for as bad debts after past due for over three years, and other impaired receivables recognised as unrecoverable, are derecognised.

#### **2.11.2 Measurement of bad debts**

Where there is objective evidence of impairment of receivables during an impairment test at the end of a period, impairment loss is recognised and bad debt provision is made according to the excess of future cash flow over the carrying amount thereof.

Bills receivable and prepayments are individually tested for impairment. Where there is objective evidence of impairment, asset impairment loss is recognised and bad debt provision is made according to the excess of future cash flow over the carrying amount thereof.

#### **2.12 Inventories**

##### **2.12.1 Classification**

Inventories of the Company are mainly comprised of raw materials, packaging materials, low-value consumables, work in progress and semi-finished goods and finished goods.

##### **2.12.2 Determination of cost**

Cost of inventories is determined on a weighted average basis.

##### **2.12.3 Recognition of the net realisable value and provision for decline in value of inventories**

As at the end of the interim period and the year, inventories of the Company are measured at the lower of cost and net realisable value. Impairment provision is made in profit or loss for the current period for inventories with their cost in excess of net realisable value due to physical deterioration, continuously declining market price not expected to rally in foreseeable future or becoming obsolete in whole or in part as a result of product upgrade and revamp based on stock-check.

Impairment provisions of inventory items are made on an individual basis.

During the course of normal production, the net realisable value is calculated based on the estimated selling price deducting the estimated costs to be incurred when completed, the estimated selling expenses and related taxes amount.

##### **2.12.4 Inventory system**

The perpetual inventory system is adopted.

##### **2.12.5 Amortisation methods of turnover materials**

Low-value consumables and packaging materials are amortised in full when received for use.

### **2.13 Long-term equity investments**

Long-term equity investments primarily include equity investments by which the Company is able to exercise de facto control, joint control or significant influence over the investees.

#### **2.13.1 Recognition of investment cost**

- (1) The cost of long-term equity investments acquired from business combination is initially recognised in accordance with Note 2.5.
- (2) The cost of long-term equity investments acquired not from business combination is recognised as follows:
  - ① The investment cost of the long-term equity investments acquired by payment in cash is recognised at the actual payment of the purchase price. Such cost includes expenses, taxes and other necessary outgoings directly related to the acquisition.
  - ② The investment cost of the long-term equity investments acquired by issuing equity securities is recognised at the fair value of the equity securities issued.
  - ③ The investment cost of the long-term equity investments acquired by exchange of non-monetary assets is recognised in accordance with CASBE No. 7 – Exchange of Non-monetary Assets.
  - ④ The investment cost of the long-term equity investments acquired by debt restructuring is recognised in accordance with CASBE No. 12 – Debt Restructuring.

#### **2.13.2 Subsequent measurement and recognition of related investment income**

- (1) Long-term equity investments accounted for using the cost method are measured at their initial investment cost, which is adjusted on changes in investment. Investment income is recognised in profit or loss for the current period when cash dividends or profit distributions are declared, except for those declared at acquisition as recovery of the investment cost.
- (2) Long-term equity investments accounted for using the equity method include associates and joint ventures as long-term equity investments.

Where part of the equity investments of the Company in its associates is held indirectly through venture investment institutions, common fund, trust companies or other similar entities including investment linked insurance funds, such part of equity investments is measured at fair value through profit or loss according to relevant requirements of CASBE No. 22 – Financial Instruments: Recognition and Measurement regardless whether the above entities have significant influence on such part of equity investments, while the remaining part is measured using the equity method.

Where the initial investment cost of a long-term equity investment exceeds the interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost

is less than the interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

For long-term equity investments accounted for using the equity method, the Company recognises the investment gain or loss and other comprehensive income according to its share of net profit or loss and other comprehensive income of the investee, and adjusts the carrying amount of the long-term equity investments accordingly. The carrying amount of the investment is reduced by the Company's share of the profit distribution or cash dividends declared by the investee. For changes in owners' equity of the investee other than those arising from its net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment is adjusted and recognised in shareholder's equity.

The Company recognises its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's net identifiable assets on acquisition. Unrealised intra-group profits or losses resulting from transactions with associates and joint ventures are eliminated to the extent of the Company's interest in the associates and joint ventures and investment income is recognised. Unrealised losses resulting from the Company's transactions with investees are fully recognised as asset impairment losses in accordance with CASBE No. 8 – Asset Impairment.

Where accounting policies and accounting period of investees differ from those of the Company, adjustments are made to financial statements of such investees based on the Company's and investment income and other comprehensive income are recognised on the same basis.

The Company recognises the net loss of its investee to the extent that the carrying amount of the long-term equity investment, and any long-term interests that in substance form part of its net investment in the investee are reduced to zero, except when the Company has incurred obligations to assume additional losses of the investee. Where net profit are subsequently made by the investee, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

(3) If the Company has significant influences or can implement joint control but not control over investees due to additional investment, the initial investment cost under the equity method is recognised as the sum of the fair value of the original portion of equity investment and the additional investment cost under CASBE No. 22 –Financial Instruments: Recognition and Measurement. For the original portion of equity investment classified as available for sale, the difference between the fair value and carrying amount, and cumulative changes in fair value recognised as other comprehensive income are transferred to profit or loss for the current period under the equity method.

In separate financial statements of investees not under common control over which the Company has gained control through additional investment, the initial investment cost of the investment under the cost method is the sum of the carrying amount of the previous equity investment and the additional investment cost. Other comprehensive income on such equity investment recognised before the date of acquisition under the equity method is treated as disposal on

the same basis as for disposal directly by the investees of relevant assets and liabilities. Shareholder's equity held before the date of acquisition is treated in accordance with relevant provisions of CASBE No. 22 – Financial Instruments: Recognition and Measurement, which states that the cumulative changes in fair value recognised in other comprehensive income be transferred to profit or loss for current period when accounted for using the cost method. Consolidated financial statements are prepared in accordance with relevant provisions of CASBE No. 33 – Consolidated Financial Statements.

(4) If the Company loses joint control or significant influence over investees due to disposal of part of its equity investment, the equity after disposal is recognised in accordance with CASBE No. 22 –Financial Instruments: Recognition and Measurement, and the difference between fair value and carrying amount at the date of loss of joint control or significant influence is recognised in profit or loss for the current period. Other comprehensive income of original equity investment recognised under the equity method ceases to be recognised under such method and is treated on the same basis as for disposal directly by the investees of relevant assets and liabilities.

In separate financial statements of investees over which the Company has lost control due to disposal of part of its equity investment, the equity after disposal that are able to implement joint control or significant influence over such investees is measured under the equity method and are deemed to be recognised under the equity method upon acquisition. The equity after disposal that are unable to implement joint control or significant influence over such investees is processed in accordance with such CASBE No. 22 –Financial Instruments: Recognition and Measurement, and the difference between the fair value and carrying amount at the day of loss of control is recognised as profit or loss for current period. Consolidated financial statements are prepared in accordance with relevant provisions of CASBE No. 33 – Consolidated Financial Statements.

(5) For equity investment in associates or joint ventures in whole or part classified as assets held for sale, it is accounted for in accordance with CASBE No. 4 – Fixed Assets. The remaining equity investment that is not classified as assets held for sale is accounted for using the equity method. The equity investment in associates or joint ventures already classified as held for sale but no longer meets the conditions of assets held for sale is adjusted retroactively using the equity method from the date of being classified as assets held for sale. Corresponding adjustments are made to relevant financial statements for the period of such classification.

(6) The difference between the carrying amount of and income recorded from long-term equity investments is recognised in profit or loss for the current period on disposal of long-term equity investments. On disposal of such investments, the corresponding portion previous recognised as other comprehensive income is accounted for on the same basis as for disposal directly by the investees of relevant assets and liabilities.

(7) The Company monitors whether there are circumstances such as the carrying amount of long-term equity investments being higher than that of the owners' equity attributable to the investees. Under such circumstances, such long-term equity investments are subject to an impairment test under CASBE No. 8 –Impairment of Assets. When the recoverable amount of a long-term equity investment is lower than its carrying amount, provision for impairment is recognised.

#### **2.13.3 Basis for recognition of joint control or significant influence over an investee**

Joint control of an investee refers to when material financial and operational decision-making thereof involves the unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

#### **2.14 Investment property**

Investment property refers to property held for rentals or capital gain or both. Investment property of the Company includes leased land use rights, those held and to be transferred when appreciated and leased buildings.

##### **2.14.1 Recognition**

Investment property is recognised only when both of the following criteria have been satisfied:

- (1) it is probable that related economic benefits will flow to the Company; and
- (2) related costs can be reliably measured.

##### **2.14.2 Initial measurement**

- (1) The cost of investment property purchased includes consideration, relevant taxes and other expenses directly attributable to it.
- (2) The cost of self-constructed investment property includes any directly attributable expenditures necessary for bringing the assets from construction to working condition for its intended use.
- (3) The cost of investment property otherwise acquired is recognised in accordance with relevant accounting policies.
- (4) Subsequent expenses arising from investment property is recorded in cost if meeting criteria for recognition of investment property and in profit or loss for the period incurred if otherwise.

##### **2.14.3 Subsequent measurement**

Investment property is subsequently measured at fair value as at every balance sheet date based on the following:

- (1) The real estate market where such property is located.

- (2) Prices and other relevant information of identical or similar properties available in the real estate market enabling a reasonable estimation of the fair value.

Depreciation and amortisation are not recognised for investment property but its carrying amount is adjusted based on its fair value on each balance sheet date, where the difference between the fair value and the previous carrying amount is recognised in profit or loss during the current period.

#### **2.14.4 Reclassification**

Where there is conclusive evidence that there is a change in the use of investment property, such property is transferred from investment property to other assets or vice versa, where the previous carrying amount is recognised as that after the transfer.

#### **2.14.5 Impairment provision**

The recognition of and provision for impairment of investment property subsequently measured under the cost method follows those of fixed assets.

### **2.15 Fixed assets**

#### **2.15.1 Recognition**

The Company's fixed assets are tangible assets that are held for use for production, rendering services, rentals, or administrative purposes and have useful lives of more than one accounting year. Fixed assets are recognised only when both of the following criteria have been satisfied:

- (1) It is probable that related economic benefits will flow to the Company; and
- (2) related costs can be reliably measured.

#### **2.15.2 Initial measurement**

Fixed assets are initially measured at cost.

- (1) The cost of a purchased fixed asset is comprised of the purchase price, related taxes, and any directly attributable freight, loading, installation and professional service expenditures for bringing the asset to working condition for its intended use.

Where the payment for a fixed asset is delayed beyond the normal credit conditions and is of de facto financing in nature, the cost of fixed assets is recognised on the basis of the present value of the purchase price. The difference between the price paid and the present value of price is recognised in profit or loss for the period during the credit period, unless it is capitalised in accordance with CASBE No. 17 – Borrowing costs.

- (2) The cost of a self-constructed fixed asset is comprised of those expenditures necessarily incurred for bringing the asset from construction to working condition for its intended use.
- (3) The cost of a fixed asset contributed by an investor is recognised in accordance with the value stipulated in the



investment contract or agreement unless it is not fair.

(4) The cost of a fixed asset acquired by non-monetary asset transactions, debt restructuring, mergers and financing leases are recognised in accordance with CASBEs No. 7 – Non-monetary Asset Transaction, No. 12 – Debt Restructuring, No. 20 – Merger and No. 21 – Lease respectively.

### 2.15.3 Classification

Fixed assets of the Company are classified into building, airport runways and aprons, oil engineering equipment, power generator, vehicle, controlling equipment and others.

### 2.15.4 Depreciation

(1) Determination of method, useful life, estimated net residual value and annual depreciation rate:

Fixed assets are depreciated using the straight-line method. Annual depreciation rates based on categories, useful years and estimated residual rates of fixed assets are as follows:

Category	Estimated net residual rate (%)	Estimated useful year (year)	Annual depreciation rate
Buildings	5	15; 40	6.33; 2.38
Oil engineering equipment	5	8; 9; 11; 14	11.88; 10.56; 8.64; 6.79
Power generators	5	18	5.28
Vehicles	5	10	9.5
Controlling equipment	5	10	9.5
Others	5	6; 8	15.83; 11.88

Fixed assets for which impairment provision has been made are depreciated based on their cost less estimated net residual value, value after depreciation and impairment provision and remaining useful year.

Fixed assets available for intended use but with completion not accounted for are determined as to their cost and depreciated based on their estimated value. After the completion is accounted for, the estimated value is adjusted for cost incurred but no adjustment is made to depreciation recognised.

(2) Review on useful life, estimated net residual value and depreciation method: For an intangible asset with a finite useful life, the Company reviews the useful life, estimated net residual value and depreciation method at least at the end of each financial year. If the estimated useful life and net residual value are different from previous estimates, the estimates are adjusted. If there are material changes in expected realisation of related economic benefits, the depreciation method is modified. Changes in the useful life, estimated net residual value and depreciation method are recognised as changes in accounting treatment.

### **2.15.5 Subsequent expenses**

Subsequent expenses related to fixed assets mainly include repair expenses, renovation expenses, repair costs and decoration expenses incurred in the course of using the fixed assets. Such subsequent expenses qualifying for fixed asset recognition, such as renovation expenses, are recognised in cost of fixed assets where the carrying amount of the replaced part, if any, is deducted. Those not qualifying for fixed asset recognition, such as repair costs, are charged to profit or loss during the current period. Decoration expenses qualifying for fixed asset recognition are accounted for in a separate subsidiary account under “Fixed assets”, and are depreciated separately on a straight-line basis over the shorter of the period between two decorations and the remaining useful life of fixed assets.

Improvement expenses on fixed assets under operating leasing are capitalised as long-term deferred expenses and amortised on a reasonable basis.

### **2.16 Construction in progress**

#### **2.16.1 Measurement**

Construction in progress is accounted for by individual projects at cost incurred.

#### **2.16.2 Time of transfer to fixed assets**

Construction in progress is transferred at cost incurred to fixed assets when ready for its intended use. A fixed asset having reached the working condition for its intended use but with completion not accounted for is carried at its estimated value. An adjustment is made upon the actual value is determined.

### **2.17 Borrowing costs**

#### **2.17.1 Recognition of capitalisation of borrowing costs**

Capitalisation of borrowing costs can commence only when all of the following conditions are satisfied:

- (1) Expenditures for the asset have been incurred.
- (2) Borrowing costs have been incurred.
- (3) Acquisition, construction or production that are necessary to prepare the asset for its intended use or sale have commenced.

#### **2.17.2 Period of capitalisation of borrowing cost**

The period of capitalisation refers to the period starting from the commencement to the cessation of capitalisation of the borrowing costs, excluding the period of suspension of capitalisation of the borrowing costs.

Where acquisition and construction or production of a qualifying asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalisation of the borrowing costs is suspended. The borrowing costs incurred during these periods is recognised as expenses for the current period until the acquisition, construction or

production resumes. If the interruption is a necessary step for making the qualifying asset under acquisition and construction or production ready for the intended use or sale, the capitalisation of the borrowing costs continues.

Capitalisation of borrowing cost ceases when acquisition, construction or production of the qualified asset is ready for its intended use or sale. Borrowing costs incurred after the qualifying asset has become ready for the intended use or sale is charged to profit or loss during the period when incurred.

### **2.17.3 Measurement of amount of borrowing cost capitalisation**

During the period of capitalisation, the to-be-capitalised amount of interest (including the amortisation with discounts or premiums) in each accounting period is determined as the following:

- (1) For specific borrowings for the acquisition and construction or production of assets qualifying for capitalisation, the to-be-capitalised amount of interest is determined in light of the interest expenses incurred for the current period minus the interest income on the unused borrowings by depositing it in the bank or investment income from such borrowing by making it as a temporary investment.
- (2) Where general borrowings is used for the acquisition and construction or production of assets qualifying for capitalisation, the Company calculates and determines the to-be-capitalised amount of interest on the general borrowings as the weighted average value of the accumulative expenditures of the assets in excess of the specific borrowings multiplying the capitalisation rate of the general borrowings used. The capitalisation rate is calculated as the weighted average interest rate of the general borrowings.

Where there is any discount or premium on borrowings, interest for each accounting period is adjusted for the amount of discounts or premiums to be amortised during such period under the effective interest method. During the period of capitalisation, the to-be-capitalised amount of interest during each accounting period does not exceed the amount of interest incurred for the relevant borrowings in the current period.

For ancillary expenses incurred on specific borrowings, those incurred for a qualifying asset under acquisition, construction or production before becoming ready for its intended use or sale are capitalised based on the incurred amount when incurred and charged to the cost of such asset. Those incurred afterwards are recognised as expenses based on the incurred amount when incurred and charged to profit or loss during the current period. The ancillary expenses arising from general borrowings are recognised as expenses at their incurred amount when incurred and charged to profit or loss during the current period.

## **2.18 Intangible assets**

### **2.18.1 Recognition scope of intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance owned or controlled by the Company. No intangible asset is recognised unless it meets the following requirements simultaneously:

- (1) It qualifies as an intangible asset.
- (2) Economic benefits pertinent to it are likely to flow into the Company.

(3) Its cost can be measured reliably.

### **2.18.2 Initial measurement**

Intangible assets are measured initially at cost. Actual cost is determined according to following principles:

(1) The cost of purchased intangible assets includes the price, relevant taxes and other directly attributable expenditures necessary for becoming ready for the intended use. Where the payment of price is delayed beyond the normal credit conditions and is of de facto financing in nature, the cost of intangible assets is determined on the basis of the present value of the price. The difference between the amount paid and the current value of the price is included in profit or loss for the period during the credit period, unless it is capitalised in accordance with the CASBE No. 17 – Borrowing costs.

(2) The cost invested in an intangible asset is determined in accordance with the value as stipulated in the investment contract or agreement unless not fair.

(3) Self-developed intangible assets

Expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase. Those in research stage are recorded in profit or loss during the current period at occurrence. Those in research stage are recognised as intangible assets should they satisfy the following conditions simultaneously:

- ① The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ② The intention to complete the intangible asset for use or sell it
- ③ Evidence that the intangible asset will generate economic benefits, including evidence showing the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- ④ The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset
- ⑤ The ability to measure reliably the expenditure attributable to the intangible asset during its development phase

The cost of self-developed intangible assets includes the total expenditures incurred during the period from the time when they meet the criteria for recognition of intangible assets to when ready for intended use, except expenditures already expensed in previous periods and not subject to any further adjustment.

(4) The costs of intangible assets acquired from non-monetary assets transactions, debt restructurings, government subsidies, and mergers are recognised in accordance with CASBE No. 7 – Non-monetary Asset Transaction, CASBE No. 12 – Debt Restructuring, CASBE No. 16 - Government Subsidy and CASBE No. 20 – Merger respectively.

### **2.18.3 Subsequent measurement of intangible assets**

The Company analyses and judges the useful life of intangible assets upon acquisition. As for the intangible assets with

a finite useful life, the Company estimates its service life, or the amount of the output or other similar measurement units which constitutes its useful life. If it is unable to forecast the period when the intangible asset can bring economic benefits to the Company, it is regarded as an intangible asset with an indefinite useful life.

With regard to intangible assets with a finite useful life, its amortisation amount is amortised within its useful life systematically and reasonably. The Company adopted the straight-line method for amortisation.

The amortisation amount of intangible assets is its cost minus the expected residual value. For intangible assets with an impairment provision, the accumulative amount of impairment provision is deducted from the cost as well. The amortised amount of intangible assets is included in profit or loss during the current period.

Intangible assets with an indefinite useful life are not subject to amortisation but the impairment test as ends of periods.

### **2.19 Long-term prepaid expenses**

Long-term prepaid expenses refers to expenses occurred but are amortised over the current period and subsequent periods with an amortisation period over 1 year (excluding 1 year), including improvement expenses on fixed assets under operating lease.

Long-term prepaid expenses are accounted for at expenses incurred, and amortised evenly over the benefit period.

### **2.20 Impairment of assets**

#### **2.20.1 Measurement of impairment provision for assets other than inventories, investment property and financial assets**

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, fixed assets, construction in progress, biological assets, intangible assets, goodwill and other major assets are provided as follows:

(1) As at the balance sheet date, the Company determines whether there is evidence of asset impairment on an individual basis. If there is any, the Company estimates the recoverable amount of the assets through an impairment test. When the recoverable amount is lower than the carrying amount, the Company reduces the carrying amount to its recoverable amount, where the reduced amount is included in profit or loss and corresponding impairment provision is recognised. Upon the recognition of impairment loss, the depreciation or amortisation expenses of the impaired asset is adjusted accordingly in future periods so as to amortise the post-adjustment carrying value of the asset systematically (deducting the estimated net residual value) within the remaining useful life of the asset. Any impairment loss recognised is not be reversed in subsequent accounting periods.

(2) There may be an impairment of assets when one of the following signs occurs:

- ① The current market price of assets falls significantly, beyond the expectation based on the advance of time or normal use.

- ② Significant changes have taken place or will take place in the near future in the economic, technological or legal environment in which the Company operates or in the market in which the fixed assets is located, thus exerting an adverse effect on the Company.
- ③ Market interest rates or any other investment return rate have increased during the current period, thus affecting the discount rate used in calculating the asset's the present value of the expected future cash flows and resulting in a material decrease in the fixed asset's recoverable amount.
- ④ Any evidence shows that the assets have become obsolete or physical damage occurred.
- ⑤ The assets have been or will be left unused, or terminated for use, or disposed of ahead of schedule.
- ⑥ Any evidence in an internal report of the Company shows that the economic performance of the assets have been or will be lower than the expected performance, for example, the net cash flow created by assets or the operating profit (or loss) realised is significantly lower (higher) than the expected amount.
- ⑦ Other circumstances indicate that the asset may have been impaired.

2.20.2 Where there are signs that an asset may have impaired, the Company estimates the recoverable amount based on individual asset. For individual asset which is difficult to estimate the recoverable amount, the recoverable amount of the asset is determined based on the asset group involving the asset.

The identification of an asset group is based on whether the major cash inflow generated from the asset group is independent of cash inflows from other assets or asset groups. Furthermore, in identifying an asset group, it is taken into account how the management of the Company manages operating activities (by production line, business category or geographical region or area) and its decision-making on continuous use or disposal of assets. Once an asset group is determined, it is kept consistent and not arbitrarily changed for every accounting period.

2.20.3 Goodwill, intangible assets with indefinite useful life and interests in unproved mines resulted from a business merger are subject to annual impairment test regardless of signs of impairment.

2.20.4 Upon the recognition of impairment loss, the depreciation or amortisation expenses of the impaired asset is adjusted accordingly in future periods so as to amortise the post-adjustment carrying value of the asset systematically (deducting the estimated net residual value) within the remaining useful life of the asset.

## **2.21 Employee benefits**

Employee benefits mainly include short-term employee benefits, post-employment benefits and termination benefits, and the details are as follows:

Short-term employee benefits mainly include wages, bonuses, allowances and subsidies, employee welfare funds, medical insurance, maternity insurance, injury insurance, house funds, trade union funding, employee education funds and non-monetary benefits. During the accounting period in which employees render services, related short-term employee benefits are recognised as liability in current profit of loss or assets related costs. Non-monetary benefits are measured at their fair value.

Post-employment benefits mainly include defined contribution plans, which are primarily comprised of basic pension insurance, unemployment insurance and annuity.

The Company recognises employee benefit liabilities in connection with proposed termination benefits for early termination or a voluntary redundancy scheme in profit or loss for the current period in the earlier of the date when the Company becomes unable to unilaterally withdraw the termination benefits therefor and it recognises the cost of such termination benefits. However, termination benefits not expected to be fully settled within 12 months after the end of the period of the relevant annual report is accounted for as other long-term employee benefits.

Early retirement plans are accounted for in accordance with the same accounting principles for termination benefits abovementioned. The salaries or wages and the social contributions to be paid to the retiring employees for the period from the date on which the employees cease rendering services to the scheduled retirement date are recognised as termination benefits in profit or loss for the current period if the recognition criteria for provisions are satisfied.

## **2.22 Measurement of estimated liabilities**

Estimated liabilities are initially measured at the best estimate of the expenses incidental to settle the present obligations. The incidental expenses having a successive range with even possibilities takes the median as the best estimate and are otherwise determined as follows:

- (1) As the most likely amount if the contingency is involved with a single project.
- (2) Based on possible amounts and possibilities if the contingency is involved with more than one project.

If the expenses for clearing of predictive liability is fully or partially compensated by a third party, and the compensated amount can be definitely received they are recognised separated as assets. The compensation amount recognised is not greater than the carrying amount of the estimated liabilities.

## **2.23 Share-based payment and equity instruments**

Share-based payments refers to equity instruments granted or transactions undertaking liabilities based on equity instruments for services provided by employees or other parties and are divided into equity-settled and cash-settled.

Equity-settled share-based payments are transactions settled through shares or other equity instruments in consideration for services. Cash-settled share-based payments are transactions undertaking obligations to deliver cash or other assets and settled in shares or other equity instruments for services.

2.23.1 Equity-settled share-based payments for services from employees are measured at the fair value of the equity

instruments granted to employees.

- (1) Such payments exercisable immediately after the grant are recognised in relevant costs or expenses at the fair value of the equity instruments at the grant date and the capital reserve is increased accordingly.
- (2) For such payments with a vesting period during which services and specified performance are required for exercise, services received are charged to relevant costs or expenses and the capital reserve at the fair value of the equity instruments at the grant date based on best estimate on the number exercisable on every balance sheet date during the vesting period.
- (3) Where there is subsequent information showing a difference in the number of exercisable equity instruments from previous estimates on a balance sheet date, the number is updated on the vesting date.
- (4) No adjustment is made to relevant cost or expenses and owners' equity recognised subsequently to the vesting date.

2.23.2 Cash-settled share-based payments are calculated as the fair value of liabilities assumed in accordance with the Company's shares or other equity instruments.

- (1) For those exercised immediately after the grant, their fair value is included in relevant costs or expenses and liabilities are increased accordingly.
- (2) For those with a vesting period during which services and specified performance are required for exercise, services received are charged to costs or expenses and relevant liabilities at the fair value undertaken based on best estimate on the number exercisable on every balance sheet date during the vesting period.
- (3) Where there is subsequent information showing a difference in current liabilities undertaken from previous estimates on a balance sheet date, the number is updated on the vesting date.
- (4) The fair value of relevant liabilities is remeasured and changes thereof are charged to profit or loss for the current period on every balance sheet date and settlement date prior to the settlement date of such liabilities.

2.23.3 The fair value of equity instruments is determined as follows:

- (1) Based on quotations in an active market if there is an active market.
- (2) Based on reasonable valuation technique if there is not an active market, including the price in latest voluntary market transactions between informed parties, current fair values of similar financial instruments, present value of cash flow and the option pricing model.

2.23.4 The best estimated number of exercisable equity instruments is determined based on subsequent information such as latest changes in the number of employees vested.



## **2.24 Revenue recognition**

### **2.24.1 Sales of goods**

- (1) The major risks and rewards attached to ownership of the goods have been transferred to the buyers by the Company.
- (2) The Company retains neither continuous management right that usually incidental to the ownership nor effective control over the sold goods.
- (3) A reliable measurement can be made to the amount of the revenue.
- (4) The relevant economic benefits are likely to flow into the Company.
- (5) A reliable measurement can be made to the relevant costs incurred or to be incurred.

### **2.24.2 Rendering of services**

- (1) When the provision of services is started and completed in the same accounting period, revenue from rendering of services is recognised upon completion.
- (2) When the provision of services is started and completed in different accounting periods and the outcome of a transaction involving the rendering of services can be estimated reliably on the balance sheet date, revenue from rendering of services is recognised by percentage of completion method. When the outcome of provision of services cannot be estimated reliably on the balance sheet date, revenue is recognised to the extent of labour costs incurred and expected to be reimbursed.

The outcome can be estimated reliably when both of the following criteria are satisfied:

- ① The economic benefits pertinent to the contract are likely flow into the Company;
  - ② The actual contract costs incurred can be clearly distinguished and can be measured reliably.
  - ③ The outcome of a fixed price contract must also be able to measure reliably its total contract revenue, progress and remaining contract costs to complete the contract.
- (3) Recognition of progress of contracts: progress of contracts is determined as accumulated cost incurred to the expected total cost.

### **2.24.3 Transfer of the right to use assets**

The Company recognises revenue when related economic benefits are likely to flow in and the amount of revenue can be measured reliably in the following circumstances:

- (1) Interest income is measured based on the length of time for which the Company's cash is lent and the effective interest rate.
- (2) Royalty is measured based on the period and method of charging as stipulated in the relevant contract or agreement.

## **2.25 Government grants**

Government grants are transfer of monetary assets and non-monetary assets from the government to the Company for free, excluding government's investment as an investor. Government grants are divided into asset-related and income-related grants.

Government grants related to assets represents those received for acquisition, construction or other establishment of long term assets. All other government grants are related to income.

A government grant is recognised only when conditions attaching to the grant are complied with and has been made certain to be received. A monetary government grant is measured at the amount received or receivable. A non-monetary government grant is measured at fair value and, when the fair value cannot be measured reliably, at nominal amount.

A government grant related to assets is recognised as deferred income when received and amortised evenly in profit or loss for the current period over the useful life of relevant assets. A government grant related measured at nominal value is directly recognised in profit or loss for the current period.

For a government grant related to income, if it is a compensation for related expenses or losses to be incurred in subsequent periods, it is recognised as deferred income and charged to profit or loss for the current period during the periods in which the related costs are recognised. If it is a compensation for related expenses or losses already incurred, it is directly recognised in profit or loss for the current period.

When recognised government grants need to be returned, the balance of deferred income is offset against book balance of deferred income and the excess is recognised in profit or loss for the current period. If there is no related deferred income, the amount to be returned is directly recognised in profit or loss for the current period.

## **2.26 Income tax**

Income tax includes various domestic and overseas taxes calculated based on the taxable income of the company. In case of acquiring assets and undertaking liabilities, the Company determines taxation basis for relevant assets and liabilities in accordance with national taxation laws. If the carrying amount of such assets more than its taxation basis or the carrying amount of such liabilities less than its taxation basis, such differences shall be recognised as taxable temporary differences. If the carrying amount of such assets less than its taxation basis or the carrying amount of such liabilities more than its taxation basis, such differences shall be recognised as deductible temporary differences.

2.26.1 Except deferred tax liabilities incurred in the following transactions, the Company recognises all taxable deferred tax liabilities arising from the taxable income temporary difference:

(1) Initial recognition of goodwill.

(2) Initial recognition of assets or liabilities created in a transaction which is simultaneously featured by the following:

①The transaction is not a business combination.

②At the time of the transaction, the accounting profit will not be affected, nor will the taxable amount (or the deductible loss) be affected.

As for the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, the Company shall recognise corresponding deferred income tax liabilities unless the Company can control the time of the

reversal of taxable temporary differences; and such temporary differences are unlikely to be reversed in the excepted future.

2.26.2 The Company recognises deferred tax assets arising from deductible temporary difference but the amount is limited to the taxable income that the Company can possibly obtain to deduct the deductible temporary differences. However, the deferred income tax assets, which arise from the initial recognition of assets or liabilities during a transaction, which is simultaneously featured by the following, shall not be recognised:

(1) The transaction is not a business combination;

(2) At the time of the transaction, the accounting profit will not be affected, nor will the taxable amount (or the deductible loss) be affected.

As at the balance sheet date, when there is sufficient evidence to show that the Company is likely to generated sufficient taxable income to offset the deferred tax assets, the Company will recognise the deferred tax assets which were not recognised in the prior periods. As for the deductible temporary differences related to the investments in subsidiaries, associates and joint ventures, the Company shall recognise corresponding deferred income tax assets if such temporary differences are likely to be reversed in the foreseeable future and the income tax amount is likely to be obtained to offset such deductible temporary differences in future.

2.26.3 As at the balance sheet date, the Company measures income tax liabilities (or assets) which occurred in current or prior periods based on payable (or reversible) income tax amount in accordance with tax laws, and measures deferred tax assets and deferred tax liabilities based on applicable tax rates during the period when it is expected to recover such assets or repay such liabilities.

If the applicable tax rate changes, the Company will remeasure the recognised deferred tax assets and deferred tax liabilities. Except recognising the transactions or deferred tax assets and deferred tax liabilities therefrom directly in the owners' equity, the Company will include the impact from changes of tax rate in the current income tax expenses.

As at each balance sheet date, the Company will review the carrying amount of deferred tax assets. If the Company cannot possibly obtain sufficient taxable income in future to offset the benefits of deferred tax assets, the carrying amount of deferred tax assets is reduced accordingly. Where it is likely to obtain sufficient taxable income taxes, the carrying amount of deferred tax assets reduced can be reversed.

The Company includes the current income tax and deferred income tax (other than those from business combinations or transactions or matters recognised in the owners' equity) in the tax expenses or income in the income statement.

## **2.27 Leasing**

Leasing means an agreement to transfer the use rights of an asset by a lessor to a lessor for a specified period in return for a rental payment, including finance lease and operating lease.

### **2.27.1 Finance lease**

(1) The asset leased will be recognised as a finance lease when it complies with one or more of the following standards:

- ① The ownership of the leased asset will be transferred to the lessee upon expiry of the lease term.
- ② The lessee has the option to acquire the leased asset, and the acquisition consideration is expected to be much lower than the fair value of the leased asset at the time when the right of option is exercised. Therefore, it can be reasonably confirmed from the commencement date of the lease term that lessee will exercise the right of option.
- ③ Even if the ownership of the leased asset will not be transferred, the lease term accounts for the most (above 75%(inclusive)) of useful life of the leased asset.
- ④ The present value of the minimum lease payment made by the lessee at the commencement date of the lease almost (90%(inclusive)) equals to the fair value (90%(inclusive)) of the leased asset at the commencement date of the lease.
- ⑤ The leased asset is of a specialised nature that only the lessee can use it without making major modifications.

The assets leased will be recognised as an operating lease when not satisfying the above conditions.

(2) The value of the leased asset acquired under finance leases is recorded at the lower of the fair value of the leased asset and the present value of the minimum lease payment at the commencement date of the lease, and is depreciated by adopting a depreciation policy consistent with that for fixed assets owned by the lessee.

#### **2.27.2 Operating lease**

When the Company is the lessee, rental expenses are included in relevant assets cost or current profits and losses on a straight-line basis over the period of the lease. The initial direct cost of the Company from operating lease businesses shall be directly included in current profits and losses. Contingent rents involved in an operating lease agreement shall be included in the current profits and losses in the period in which they are actually incurred.

### **2.28 Assets held for sale**

#### **2.28.1 Recognition criteria**

A non-current asset shall be classified as an asset held for sale when it satisfies the following requirements simultaneously:

- ① The Company is determined to dispose of the non-current asset;
- ② The Company has entered into an irrevocable transfer agreement with the transferee;
- ③ The transfer will be completed within one year.

#### **2.28.2 Accounting treatment**

With regard to fixed assets held for sale of the Company, the expected net residual value of the asset is adjusted to reflect the amount of its fair value deducted by disposal costs (but not to exceed the original carrying amount when the asset meets the requirements as assets held for sale). If the former is higher than the adjusted carrying amount of the expected net residual value, the difference shall be recognised as asset impairment loss in profit or loss for the current period.

If an asset or disposal group is classified as held for sale, but fails to meet recognition requirements for fixed asset held

for sale subsequently, it is no longer classified as an asset held for sale by the Company and is calculated at the lower of the following two amounts:

- (1) the carrying amount of such asset or disposal group before being classified as an asset held for sale subsequent to the adjustment to the originally recognised depreciation, amortisation or impairment under the condition that it is not classified as an asset held for sale;
- (2) the recoverable amount at the date on which no future sale is decided.

The above principles are also applicable to non-current assets that satisfy the recognition requirements for intangible assets held for sale.

## **2.29 Accounting for transfer of financial assets and securitisation of non-financial assets**

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following items: the aggregate consideration received from the transfer and the accumulative amount of the changes of the fair value originally recorded in the owner's equities; and the carrying amount of the transferred financial asset, is recorded in profit or loss for the current period.

If the transfer of partial financial asset satisfies the conditions for derecognition, the carrying amount of the entire financial asset transferred shall, between the portion derecognised and the portion not derecognised, be allocated at their respective relative fair value, and the difference between the amounts of the following two items: the aggregate consideration of the portion derecognised and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion derecognised; and the carrying amount of the portion derecognised, shall be recorded in profit or loss for the current period.

If the financial asset does not satisfy the conditions for derecognition, the Company shall continue to recognise the entire financial asset transferred, and recognise the consideration received on asset transfer as if financing and borrowings of an entity as financial liabilities upon receipt.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognises the financial asset and financial liability to the extent of its continuing involvement in the transferred financial asset. It recognises relevant income from the asset by its continuing involvement in the transferred financial asset, and it also recognises relevant expenses from the liability by its continuing involvement in the transferred financial liability.

## **2.30 Changes in significant accounting policies and accounting estimates**

### **2.30.1 Changes in accounting policies**

In 2014, Ministry of finance issued "CASBE 39 – Fair value measurement" (Cai Kuai [2014] No. 6), "CASBE 30 – Presentation of financial statements (Revised in 2014)" (Cai Kuai [2014] No. 7), "CASBE 9 – Employee benefits (Revised in 2014)" (Cai Kuai [2014] No. 8), "CASBE 33 – Consolidated financial statements (Revised in 2014)" (Cai Kuai [2014] No. 10), "CASBE 40 – Joint arrangements" (Cai Kuai [2014] No. 11), "CASBE 2 – Long-term equity

investments (Revised in 2014)” (Cai Kuai [2014] No. 14) and “CASBE 41 – Disclosure of interests in other entities” (Cai Kuai [2014] No. 16), which shall be implemented in all enterprises adopting China Accounting Standards for Business Enterprises starting from 1 July 2014. The enterprises listed overseas were encouraged to adopt these standards earlier.

According to the resolution of the Board of the Company, the Company began to apply each of the above standards with effect from 1 July 2014 and there were changes in related accounting policies in compliance with the requirements of each of the above standards.

The effect of the changes in the above accounting policies on the recognition and measurement of the items of the financial statements for the reporting period of the Company is as follows:

Long-term equity investments under the cost method over which an investee no longer had control, joint control or significant influence were re-classified as available-for-sale financial assets during the reporting period by the Company under the accounting standards revised in 2014, and the particulars are set out below:

Investee	Investment cost	Before change in accounting policies	After change in accounting policies
		Long-term equity investments	Available-for-sale financial assets
海南机场餐饮服务有限公司	200,000.00	200,000.00	200,000.00
Guodu Securities Co., Limited	280,000,000.00	280,000,000.00	280,000,000.00
Minan Property and Casualty Insurance Co., Limited	510,260,000.00	510,260,000.00	510,260,000.00
Grand China Air Co., Limited	1,496,200,000.00	1,496,200,000.00	1,496,200,000.00
Changjiang Leasing Co., Limited	150,000,000.00	150,000,000.00	150,000,000.00
Grand China Logistics Holding (Group) Company Limited	510,000,000.00	510,000,000.00	510,000,000.00
HNA Group Finance Co., Ltd.	359,537,448.57	359,537,448.57	359,537,448.57
Hainan Airlines Co., Ltd.	700,000,000.00	700,000,000.00	700,000,000.00
Yangtze River Real Estate Group Company Limited	210,000,000.00	210,000,000.00	210,000,000.00
Yangtze River Investment Holding Company Limited	450,000,000.00	450,000,000.00	450,000,000.00
Total	4,666,197,448.57	4,666,197,448.57	4,666,197,448.57

Under the requirements of the new accounting standards, the above items were adjusted retrospectively. The items at the beginning of the year were re-classified as available-for-sale financial assets from long-term equity investments, and the particulars are set out below:

Investee	Investment cost	Before change in accounting policies	After change in accounting policies
		Long-term equity investments	Available-for-sale financial assets
海南机场餐饮服务有限公司	200,000.00	200,000.00	200,000.00
Guodu Securities Co., Limited	280,000,000.00	280,000,000.00	280,000,000.00
Minan Property and Casualty Insurance Co., Limited	510,260,000.00	510,260,000.00	510,260,000.00
Changjiang Leasing Co., Limited	150,000,000.00	150,000,000.00	150,000,000.00

Grand China Logistics Holding (Group) Company Limited	510,000,000.00	510,000,000.00	510,000,000.00
HNA Group Finance Co., Ltd.	359,537,448.57	359,537,448.57	359,537,448.57
Hainan Airlines Co., Ltd.	700,000,000.00	700,000,000.00	700,000,000.00
Bohai International Trust Co., Limited	243,219,252.07	378,234,492.28	378,234,492.28
Total	2,753,216,700.64	2,888,231,940.85	2,888,231,940.85

### 2.30.2 Changes in accounting estimates

There were no changes in significant accounting estimates of the Company for 2014.

### 2.31 Correction of prior period errors

#### 2.31.1 Reason for correction of prior period errors

Correction for prior period errors in the consolidated statements for the reporting period is mainly caused by the following:

(1) The investment in Lianxun Securities Co., Ltd. of the Company is measured using the equity method. The initial cost was not adjusted using the equity method when the 6.06% equity interest in Lianxun Securities Co., Ltd. was transferred in 2011. The long-term equity investment and retained earnings as at the beginning of the year increased by RMB15,744,669.48 due to correction for the reporting period.

(2) Hainan Meiya Enterprise Company Limited, a subsidiary of the Company, recognised the assets such as a garage at Meishe River estate as fixed assets, which should be recognised as inventories. Retained earnings as at the beginning of the year increased by RMB612,857.52 due to reversal of the accumulated amortisation for the corresponding land use rights during the reporting period. Retained earnings as at the beginning of the year increased by RMB1,255,070.52 due to reversal of accumulated depreciation of the related assets.

(3) Retained earnings as at the beginning of the year increased by RMB278,649.40 due to reversal of the over-provision for employee education funds in the previous year by Hainan Meiya Enterprise Company Limited, a subsidiary of the Company.

(4) Retained earnings as at the beginning of the year increased by RMB51,957.00 due to the adjustment of freight and miscellaneous charges and waste cleanup fees which were transitionally accounted.

(5) Retained earnings as at the beginning of the year decreased by RMB176,301.19 due to the additional provision for enterprise income tax for the previous year by Hainan Meiya Enterprise Company Limited, a subsidiary of the Company.

(6) Retained earnings as at the beginning of the year decreased by RMB29,186.82 due to adjustment of surplus reserve for the prior period by Hainan Meiya Enterprise Company Limited, a subsidiary of the Company.

#### 2.32.2 Effect of correction of prior period errors

The effect of correction of prior period errors on consolidated accounting statement items and the related amounts are as follows:

##### 2.32.2.1 Consolidated balance sheet

Adjusted items	Amounts in 2013 annual report	Adjustment	Adjusted amounts for 2013
Prepayments	33,217,944.64	18,357.00	33,236,301.64
Long-term equity investments	1,323,541,156.97	15,744,669.48	1,339,285,826.45

Fixed assets	1,809,929,558.63	1,255,070.52	1,811,184,629.15
Intangible assets	346,513,545.15	612,857.52	347,126,402.67
Accounts payable	121,492,748.38	-33,600.00	121,459,148.38
Tax payables	27,622,985.96	176,301.19	27,799,287.15
Other payables	252,383,976.89	-278,649.40	252,105,327.49
Retained earnings	1,058,006,261.19	16,741,192.69	1,074,747,453.88
Minority interests	1,458,258,341.75	1,025,710.03	1,459,284,051.78

### 2.32.2.1 Consolidated income statement

Adjusted items	Amounts in 2013 annual report	Adjustment	Adjusted amounts for 2013
Selling expenses	41,743,479.36	-173,453.08	41,570,026.28
General and administrative expenses	106,752,461.73	-294,716.28	106,457,745.45

## Note 3 Taxation

### 3.1 Value added tax

The Company is subject to value added tax based on the value added from sales of goods and rendering of services, with value added tax rates of 6% and 17% for main products.

### 3.2 Business tax

The Company is subject to business tax with rates of 3% and 5% on the taxable revenue.

### 3.3 Urban maintenance and construction tax

The Company is subject to urban maintenance and construction tax with a rate of 7% on current turnover tax payable.

### 3.4 Educational surtax

The Company is subject to educational surtax with a rate of 3% on current turnover tax payable.

### 3.5 Local educational surtax

The Company is subject to local educational surtax with a rate of 2% on current turnover tax payable.

### 3.6 Corporate income tax

#### 3.6.1 Tax rate for parent company

The corporate income tax rate of the Company is 25%.

#### 3.6.2 Tax rate for subsidiaries

The corporate income tax rate of subsidiaries (i.e., HNA Infrastructure Company Limited, Hainan Meiya Enterprise Company Limited, Haikou Meilan International Airport Duty Free Shop Ltd. and Hainan Meilan International Airport Cargo Transportation Co., Ltd.) is 25%.

#### 3.6.3 Tax preference

According to the Reply of State Taxation Bureau of Haikou Municipality on Tax Preference of HNA Infrastructure



Company Limited (Hai Guo Shui Han[2008]No. 13) issued on 2 February 2008, HNA Infrastructure Company Limited was exempt from corporate income tax from 2004 to 2008, while corporate income tax was reduced by half from 2009 to 2013.

**Note 4 Business combination and consolidated financial statements (amounts expressed in RMB unless otherwise stated)**

**4.1 Particulars of subsidiaries**

**4.1 Explanation of change of consolidation scope**

**4.1.1 Loss of control over subsidiaries due to disposal of equity interest during the period**

Subsidiary	Percentage of disposal	Way of disposal	Date of loss of control	Consideration	Net assets of the subsidiary as at the date of disposal
Haikou Meilan International Airport Advertising Co., Ltd.	100%	cancellation	12 December 2014	55,900.00	86,095.00

**4.2 Subsidiaries acquired by way of incorporation or investment**

Name of subsidiary	Type of subsidiary	Place of registration	Nature of business	Registered capital	Scope of business	Paid-in capital as at the end of the period	Other assets constitution investment in substance
HNA Infrastructure Company Limited	Limited liability company	Haikou	Service sector	473,213,000.00	To provide aircraft transportation with passenger services and ground handling services		
Hainan Meiya Enterprise Company Limited	Limited liability company	Haikou	Service sector	87,500,000.00	To provide fuel filling service at Meilan airport		
Haikou Meilan International Airport Duty Free Shop Ltd.	Limited liability company	Haikou	Retailing sector	1,000,000.00	To sell tobacco, alcohol and handicrafts		
Hainan Meilan International Airport Cargo Transportation Co., Ltd.	Limited liability company	Haikou	Service sector	20,000,000.00	To provide freight services		

Name of subsidiary	Shareholding (%)	Voting right (%)	Whether consolidated	Minority interests	Amount in minority interests offsetting profit or loss attributable thereto	Amount of parent company's interests offsetting current loss attributable to minority interests of a subsidiary over minority interests' share in shareholder's equity of such subsidiary at the beginning of the period
HNA Infrastructure Company Limited	50.189	50.189	Yes			
Hainan Meiya Enterprise Company Limited	50	50	Yes			
Haikou Meilan International Airport Duty Free Shop Ltd.	100	100	Yes			
Hainan Meilan International Airport Cargo Transportation Co., Ltd.	51	51	Yes			

#### 4.2.1 Others

The Company owns 50% of the voting right of Hainan Meiya Enterprise Company Limited. Both the chairman and chief financial officer of Hainan Meiya Enterprise Company Limited have been appointed by the Company. The Company has the right to make decisions on Hainan Meiya Enterprise Company Limited's finance and business. Thus, Hainan Meiya Enterprise Company Limited has been consolidated in the Company's consolidated financial statements.

Hainan Meiya Enterprise Company Limited has adopted the CASBE. The Company has made a shift accordingly in the preparation of its consolidated financial statements based on the CASBE.

#### Note 5 Notes to the consolidated financial statements

##### 5.1 Cash at bank and on hand

Item	Closing amount	Opening amount
Cash on hand:		
RMB	393,216.87	734,568.52
HKD	93.88	93.56
USD	13,406.73	13,358.31
Euro		
Bank deposits:		
RMB	2,136,824,215.75	2,162,348,290.17
HKD	34,045.53	
USD	661,206,221.12	1,526,817,146.39
Other monetary funds		
RMB	265,000,000.00	65,000,000.00
Total	3,063,471,199.88	3,754,913,456.95

Other monetary funds represent the security deposits for the issuance of notes payable for a period of half a year with restriction on realisation

As at the end of the reporting period, the Company does not have any funds restricted in realisation, placed overseas, or facing potential recovery risks due to pledge or being frozen.

##### 5.2 Accounts receivable

###### 5.2.1 Aging analysis

Aging	Closing amount			Opening amount		
	Amount	Proportion (%)	Provision for bad debts	Amount	Proportion (%)	Provision for bad debts
Within 1 year	271,988,596.80	94.69		243,253,109.36	93.37	
1-2 year	10,259,325.04	3.57	3,839,026.00	15,432,911.82	5.92	4,116,149.00
2-3 year	4,039,125.82	1.41		1,836,440.72	0.71	
Over 3 years	944,207.58	0.33				
Total	287,231,255.24	100.00	3,839,026.00	260,522,461.90	100.00	4,116,149.00
Net		283,392,229.24			256,406,312.90	

5.2.2 Closing balance from any shareholders holding 5% (inclusive) or more of the voting right of the Company

Name of company	Closing amount		Opening amount	
	Amount	Bad debt provision	Amount	Bad debt provision
Hainan Airlines Co., Ltd.	61,377,353.22		447,072.00	

5.2.3 See Note 6.6 for the accounts receivable from related parties.

### 5.3 Other receivables

#### 5.3.1 Ageing analysis

Ageing	Closing amount			Opening amount		
	Amount	Proportion (%)	Provision for bad debts	Amount	Proportion (%)	Provision for bad debts
Within 1 year	1,538,915,150.18	80.81		945,515,603.74	69.26	
1-2 year	122,290,709.08	6.42	154,993.43	105,052,987.50	7.70	343.39
2-3 year	91,758,595.97	4.82	536.51	8,762,909.31	0.64	53,610.74
Over 3 years	151,365,602.09	7.95	2,110,959.54	305,782,680.28	22.40	2,058,186.18
Total	1,904,330,057.32	100.00	2,266,489.48	1,365,114,180.83	100.00	2,112,140.31
Net	1,902,063,567.84			1,363,002,040.52		

5.3.2 Closing balance from any shareholders holding 5% (inclusive) or more of the voting right of the Company

Name of company	Closing amount		Opening amount	
	Amount	Bad debt provision	Amount	Bad debt provision
Hainan Airlines Co., Ltd.	26,180,953.74		28,230,348.74	
HNA Airport Group Limited	12,747,134.21		333,441,902.88	
Total	38,928,087.95		361,672,251.62	

5.3.3 See Note 6.6 for the accounts receivable from related parties.

### 5.4 Prepayments

#### 5.4.1 Ageing analysis

Ageing	Closing amount		Opening amount	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	59,619,218.32	87.64	23,370,222.95	70.32
1-2 year	1,903,847.62	2.80	1,370,703.68	4.12
2-3 year	982,972.80	1.44	4,532,839.16	13.64
Over 3 years	5,521,978.95	8.12	3,962,535.85	11.92
Total	68,028,017.69	100.00	33,236,301.64	100.00

5.4.2 There is no closing balance from any shareholders holding 5% (inclusive) or more of the voting right of the Company

### 5.5 Inventories

#### 5.5.1 Inventories by category

Item	Closing amount			Opening amount		
	Cost	Provision for diminution in value	Carrying amount	Cost	Provision for diminution in value	Carrying amount
Raw materials	24,257,404.17		24,257,404.17	24,085,470.09		24,085,470.09
Finished goods	60,591,722.13	14,264,885.41	46,326,836.72	67,223,653.81		67,223,653.81
Other inventories	4,033,779.87		4,033,779.87	451,544.03		451,544.03
Total	88,882,906.17	14,264,885.41	74,618,020.76	91,760,667.93		91,760,667.93

5.5.2 As at the end of the reporting period, the net realisable value of the inventories of Meiya Enterprise was lower than their book value and the provision for decline in price was RMB14,264,885.41.

#### 5.6 Other current assets

Item	Closing amount	Opening amount
Value added tax recoverable	2,894,088.49	5,360,360.21
Prepaid corporate income tax		30,196.00
Other prepaid tax	1,795.00	1,795.00
wealthmanagement products		
Total	2,895,883.49	5,392,351.21

#### 5.7 Available-for-sale financial assets

Particulars of available-for-sale financial assets

Item	Closing amount	Opening amount
Available-for-sale equity instruments	5,321,962,612.57	3,271,720,340.85

#### 5.8 Held-to-maturity investments

(1) Particulars of held-to-maturity investments

Item	Carrying closing amount	Opening carrying amount
Entrust loans	1,000,000,000.00	1,000,000,000.00
Interests on held-to-maturity investments	4,690,774.79	3,811,814.64
Total	1,004,690,774.79	1,003,811,814.64

#### 5.9 Long-Term Equity Investments

Investee	Accounting method	Investment cost	Opening balance	Increase/decrease	Closing balance	Shareholding In investee (%)
Yangtze River Insurance Brokers Co., Ltd.	Equity method	24,500,000.00	33,551,461.47	-138,243.24	33,413,218.23	49.00
Lianxun Securities Co., Ltd.	Equity method	142,627,124.29	177,995,218.98	174,575,241.63	352,570,460.61	20.64
Haikou Decheng Industrial and Development Co., Ltd.	Equity method	30,874,650.80	30,874,651.00	-353.00	30,874,298.00	30.00
HNA Airport Group Holdings Limited	Equity method	1,011,715,103.00	1,096,864,495.00	408,069.00	1,097,272,564.00	24.50
Total		1,209,716,878.09	1,339,285,826.45	174,844,714.39	1,514,130,540.84	

As at the end of the reporting period, the recoverable amount of long-term equity investments of the Company was not lower than their carrying amount and, thus, no impairment provision was made for long-term equity investments.

#### 5.10 Investment in joint ventures and associates

Investee	Shareholding (%)	Voting right (%)	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Total revenue for the period	Net profit for the period
I. Jointly controlled entities							
II. Associate							
Yangtze River Insurance Brokers Co., Ltd.	49	49	69,493,945.03	1,939,071.55	67,554,882.48	71,590,336.34	-282,129.07
Lianxun Securities Co., Ltd.	20.64	20.64	10,685,499,514.66	8,977,309,298.55	1,708,190,216.11	559,221,706.45	81,027,067.01
HNA Airport Group Holdings Limited	24.5	24.5	18,198,936,772.00	11,525,233,153.00	6,673,703,619.00	1,180,801,551.00	195,946,972.00
Haikou Decheng Industrial and Development Co., Ltd.	30	30	102,911,056.38		102,911,056.38		-1,174.42
Total			29,056,841,297.07	20,504,481,523.10	8,552,359,773.97	1,811,613,593.79	276,690,735.52

#### 5.11 Investment property

##### (1) Investment property measured at fair value

Item	Opening fair value	Increase during the period			Decrease during the period		Closing fair value
		Acquisition	Transfer from self-used property or inventories	fair value through profit or loss	Disposal	Transfer to self-used property	
1. Total cost	40,293,633.97						40,293,633.97
(1) Buildings and structure	17,177,767.79						17,177,767.79
(2) Land use rights	23,115,866.18						23,115,866.18
2. Total changes in fair value	189,458,761.03			56,245,702.51			245,704,463.54
(1) Buildings and structure	28,389,132.21			-3,220,264.00			25,168,868.21
(2) Land use rights	161,069,628.82			59,465,966.51			220,535,595.33
3. Total carrying amount of investment property	229,752,395.00						285,998,097.51
(1) Buildings	45,566,900.00						42,346,636.00
(2) Land use rights	184,185,495.00						243,651,461.51

In 2012, held-for-appreciation land of the Company was transferred to investment property from intangible assets. Investment property was measured under the cost model in the past. As the property market was developed enough to fit into the fair value model, the Company changed its accounting policy and shifted to the fair value model to measure its investment property.

## 5.12 Fixed assets

### 5.12.1 Particulars of fixed assets

Item	Opening carrying amount	Increase during the period	Decrease during the period	Closing carrying amount
<b>I. Total of cost</b>	<b>2,745,302,052.57</b>	<b>272,673,987.02</b>	<b>273,114,869.26</b>	<b>2,744,861,170.33</b>
Including:Buildings and structure	1,877,000,206.45	236,092,305.61	234,204,662.71	1,878,887,849.35
Transportation vehicles	122,461,206.51	18,301,352.97	2,704,822.00	138,057,737.48
Machinery	671,080,535.33	4,908,133.67	31,215,444.55	644,773,224.45
Office facilities	5,005,470.78	2,377,584.77	243,028.00	7,140,027.55
Others	69,754,633.50	10,994,610.00	4,746,912.00	76,002,331.50
<b>II. Total of accumulated depreciation</b>	<b>934,117,423.42</b>	<b>110,762,386.41</b>	<b>123,527,700.10</b>	<b>921,352,109.73</b>
Including:Buildings and structure	436,369,661.27	49,014,659.04	96,361,640.85	389,022,679.46
Transportation vehicles	56,750,579.87	9,413,751.21	2,597,796.20	63,566,534.88
Machinery	396,328,427.90	44,606,426.83	19,397,240.87	421,537,613.86
Office facilities	3,742,049.54	836,587.29	1,051,172.18	3,527,464.65
Others	40,926,704.84	6,890,962.04	4,119,850.00	43,697,816.88
<b>III. Total of net carrying amount</b>	<b>1,811,184,629.15</b>			<b>1,823,509,060.00</b>
Including:Buildings and structure	1,440,630,545.18			1,489,865,169.89
Transportation vehicles	65,710,626.64			74,491,202.60
Machinery	274,752,107.43			223,235,610.59
Office facilities	1,263,421.24			3,612,562.90
Others	28,827,928.66			32,304,514.62
<b>IV. Total of impairment provision</b>				
Including:Buildings and structure				
Transportation vehicles				
Machinery				
Office facilities				
Others				
<b>V. Total of carrying amount</b>	<b>1,811,184,629.15</b>			<b>1,823,509,060.60</b>
Including:Buildings and structure	1,440,630,545.18			1,489,865,169.89
Transportation vehicles	65,710,626.64			74,491,202.60
Machinery	274,752,107.43			223,235,610.59
Office facilities	1,263,421.24			3,612,562.90
Others	28,827,928.66			32,304,514.62

### 5.12.2 Accumulated depreciation Increase during the period

Item	Increase during the period	Provision for the period	Total
Buildings and structure		49,014,659.04	49,014,659.04
Transportation vehicles		9,413,751.21	9,413,751.21
Machinery		44,606,426.83	44,606,426.83
Office facilities		836,587.29	836,587.29
Others		6,890,962.04	6,890,962.04
Total of accumulated depreciation		110,762,386.41	110,762,386.41

#### 5.12.3 Fixed assets under financial lease

Item	Cost	Accumulated depreciation	Net
Buildings and structure	521,019,629.43	15,012,171.27	506,007,458.16
Transportation vehicles	42,722,778.02	8,326,650.89	34,396,127.13
Machinery	156,890,410.55	23,987,067.46	132,903,343.09
Others	3,717,740.00	855,726.00	2,862,014.00

5.12.4 The carrying amount of RMB13,594,384.9 was transferred from construction in progress to fixed assets.

5.12.5 As at the end of the reporting period, the recoverable amount of fixed assets of the Company was not lower than their carrying amount, and, thus, no impairment provision was made for fixed assets.

### 5.13 Construction in progress

Item	Closing amount			Opening amount		
	Cost	Provision	Net carrying amount	Cost	Provision	Net carrying amount
Second phase of extension	84,648,102.32		84,648,102.32	75,729,859.99		75,729,859.99
West airside concourse oil pipelines	121,324,261.81		121,324,261.81	15,484,757.15		15,484,757.15
Terminal area station site works	105,446,512.91		105,446,512.91	191,764.12		191,764.12
Far west plane parking apron works	25,833,151.33		25,833,151.33			
Equipment installation (APU project equipment to be replaced by bridge containing equipment)	8,616,802.55		8,616,802.55			
Refrigeration plant	3,276,085.28		3,276,085.28	3,247,476.80		3,247,476.80
Station complex	98,979,369.00		98,979,369.00			
Others	16,351,818.07		16,351,818.07	15,227,235.70		15,227,235.70
Total	464,476,103.27		464,476,103.27	109,881,093.76		109,881,093.76

As at the end of the reporting period, the recoverable amount of construction in progress of the Company was not lower than its carrying amount and, thus, no impairment provision was made for construction in progress.

### 5.14 Intangible assets

#### 5.14.1 Particulars of intangible assets

Item	Opening carrying amount	Increase during the period	Decrease during the period	Closing carrying amount
I. Total of cost	463,018,583.17	1,317,584.90	3,900,000.00	460,436,168.07
Land use rights	462,619,903.17		3,900,000.00	458,719,903.17

Software	398,680.00	1,317,584.90		1,716,264.90
II. Total of accumulated amortisation	115,892,180.50	6,968,298.62		122,860,479.12
Land use rights	115,831,250.50	6,907,338.87		122,738,589.37
Software	60,930.00	60,959.75		121,889.75
III. Total of net carrying amount	347,126,402.67			337,575,688.95
Land use rights	346,788,652.67			335,981,313.80
Software	337,750.00			1,594,375.15
IV. Total of provision				
Land use rights				
Software				
V. Total of carrying amount	347,126,402.67			337,575,688.95
Land use rights	346,788,652.67			335,981,313.80
Software	337,750.00			1,594,375.15

Land use rights for Hai Kou Shi Guo Yong (2010) No. 008091, Hai Kou Shi Guo Yong (2009) No. 003861, Hai Kou Shi Guo Yong (2007) No. 006491, Hai Kou Shi Guo Yong (2005) No. -001242, 1243, 1245,1246, 1247,1248, 1250, 1251, 1252, 1253, 1254, 1255, 1257, 1258, 1259, 1260, 1261, have been pledged as security for a loan granted to the Company.

5.14.2 During the period, amortisation amounted to RMB6,968,298.62.

5.14.3 As at the end of the reporting period, the recoverable amount of intangible assets of the Company was not lower than their carrying amount and,thus, no impairment provision was made for intangible assets.

#### 5.15 Goodwill

Name of investeeor matter which produces the goodwill	Opening carrying amount	Increase during the period	Decrease during the period	Closing carrying amount	Impairment provision at the end of the period
Hainan Meiya Enterprise Company Limited	12,315,845.19			12,315,845.19	

As at the end of the reporting period, the recoverable amount of the goodwill of the Company was not lower than its carrying amount and,thus, no impairment provision was made for goodwill.

#### 5.16 Deferred income tax assets/deferred income tax liabilities

Item	Closing amount	Opening amount
<b>Deferred income tax assets:</b>		
Provision for impairment of assets	1,526,379.37	1,376,821.07
Management fee	4,679,925.00	4,517,239.00
Termination benefits	824,334.00	1,150,899.00
Withholding subsidies of airline development	3,725,000.00	2,550,000.00
Other temporary differences	2,967,500.00	
Sub-total	13,723,138.37	9,594,959.07



<b>Deferred income tax liabilities:</b>		
Changes in fair value of available-for-sale financial assets included in capital surplus	113,941,291.00	45,872,100.00
Changes in fair value of investment property	62,135,299.68	48,073,874.05
Sub-total	176,076,590.68	93,945,974.05

#### 5.17 Provision of impairment of assets

Item	Opening carrying amount	Increase during the period	Decrease during the period		Closing carrying amount
			Reversal	Write-off	
Provision for bad debts	6,228,289.31	598,232.17		721,006.00	6,105,515.48
Provision for decline in price of inventories		14,264,885.41			14,264,885.41
Total	6,228,289.31	14,863,117.58		721,006.00	20,370,400.89

#### 5.18 Short-term loans

Item	Closing amount	Opening amount
Pledged loans	1,510,000,000.00	1,013,312,000.00
Credit loans	71,000,000.00	150,000,000.00
Total	1,581,000,000.00	1,163,312,000.00

#### 5.19 Notes payable

Item	Closing amount	Opening amount
Bank acceptance bills	490,000,000.00	90,000,000.00
Commercial acceptance bills	80,000,000.00	
Total	570,000,000.00	90,000,000.00

#### 5.20 Accounts payable

##### 5.20.1 Ageing

Item	Closing amount	Opening amount
Within one year	32,204,642.72	72,578,425.61
Over one year	104,338,314.66	48,880,722.77
Total	136,542,957.38	121,459,148.38

As at the end of the period, the Company had no accounts payable to any shareholders or other related parties holding 5% (inclusive) or more of the voting right of the Company

5.20.2 See Note 6.6 for the accounts payable to related parties.

#### 5.21 Advances from customers

##### 5.21.1 Ageing

Item	Closing amount	Opening amount
Within one year	58,009,365.14	11,439,040.22

5.21.2 As at the end of the period, the Company had no accounts receivable from any shareholders or other related parties holding 5% (inclusive) or more of the voting right of the Company.

5.21.3 See Note 6.6 for the accounts receivable from related party.

## 5.22 Employee benefits payable

### 5.22.1 Particulars of employee benefits payable by items

Item	Opening amount	Increase during the period	Decrease during the period	Closing amount
I. Short-term salary	45,959,134.56	193,702,092.31	186,295,789.91	53,365,436.96
II. Post-employment benefits	455,879.15	21,001,968.53	20,091,163.28	1,366,684.40
III. Termination benefits	5,230,327.00		3,838,220.00	1,392,107.00
IV. Other long-term staff benefits		2,273,043.00		2,273,043.00
Total	51,645,340.71	216,977,103.84	210,225,173.19	58,397,271.36

### 5.22.2 Short-term salary

Item	Opening amount	Increase during the period	Decrease during the period	Closing amount
I. Salaries, bonuses, allowances and subsidies	38,055,918.32	163,415,474.08	158,416,701.81	43,054,690.59
II. Staff welfare	638,778.00	5,188,296.36	5,188,296.36	638,778.00
III. Social insurance	138,346.74	8,336,000.33	8,073,512.54	400,834.53
IV. Housing funds	1,152,956.64	12,035,584.00	11,197,293.00	1,991,247.64
V. Labour union funds and employee education funds	5,957,883.34	4,359,627.74	3,039,090.20	7,278,420.88
VI. Short-term paid absences				
VII. Short-term profit-sharing plan				
VIII. Other short-term salary	15,251.52	367,109.80	380,896.00	1,465.32
Total	45,959,134.56	193,702,092.31	186,295,789.91	53,365,436.96

### 5.22.3 Post-employment benefits

Item	Opening amount	Increase during the period	Decrease during the period	Closing amount
I. Pension insurance	380,728.87	19,798,816.11	19,033,588.67	1,145,956.31
II. Unemployment insurance	75,150.28	1,203,152.42	1,057,574.61	220,728.09
Total	455,879.15	21,001,968.53	20,091,163.28	1,366,684.40

### 5.22.4 Termination benefits

The Company paid RMB1,392,107.00 for early-retired employees as termination benefits.

### 5.22.5 Other long-term staff benefits

The termination benefits for early-retired employees were long-term staff benefits and amounted to RMB2,273,043.00.

Defaulted payables of RMB0.00 were included in employee benefits payable.

As at the end of the period, labour union funds and employee education funds amounted to RMB7,278,420.88, and non-monetary benefits amounted to RMB0.00.

### 5.23 Taxes payable

Item	Closing amount	Opening amount
Value added tax	-6,572,930.38	-4,926,348.19
Business tax	5,304,791.52	10,178,329.66
Corporate income tax	41,565,447.83	17,477,085.46
Educational surcharge	92,620.34	521,231.86
Individual income tax	222,433.53	240,374.73
Urban maintenance and construction tax	57,785.27	657,841.40
Property tax	2,834,813.90	2,446,167.58
Land use tax	1,273,454.98	883,913.57
Stamp duty	460,072.00	295,671.67
Land appreciation tax	-3,664.66	-3,664.66
Others	685,962.63	28,684.07
Total	45,920,786.96	27,799,287.15

At the end of the period, taxes payable by the Company were subject to the amounts determined by the tax authority.

### 5.24 Interests payable

Item	Closing amount	Opening amount
Interest of long-term borrowings with periodic payments of interest and return of principal at maturity	3,606,548.30	4,936,351.30
Interest of corporate bond	141,464,594.69	135,835,683.67
Total	145,071,142.99	140,772,034.97

### 5.25 Dividends payable

Name of company	Closing amount	Opening amount	Reason for overdue one year
Sinopec Sales Co., Ltd.	5,000,000.00		
中南民航經濟發展公司	499,500.00	499,500.00	Unclaimed by shareholders
China Southern Airlines Company Limited		166,500.00	
Total	5,499,500.00	666,000.00	

### 5.26 Other payables

#### 5.26.1 Ageing

Item	Closing amount	Opening amount
Within one year	325,240,838.52	36,866,796.23
Over one year	1,043,236.13	215,238,531.26
Total	326,284,074.65	252,105,327.49

5.26.2 See Note 6.6 for the accounts payable to any shareholders or other related parties holding 5% (inclusive) or more of the voting right of the Company.

## 5.27 Non-current liabilities due within one year

### 5.27.1 Breakdown

Item	Closing amount	Opening amount
Long-term borrowings due within one year	606,092,000.00	134,744,200.00
Bonds payable due within one year		1,000,000,000.00
Long-term payables due within one year	176,078,077.86	95,378,001.40
Total	782,170,077.86	1,230,122,201.40

### 5.27.2 Long-term borrowings due within one year

Item	Closing amount	Opening amount
Secured borrowings	606,092,000.00	134,744,200.00

No amounts which were past due but were rolled over were included in the long-term borrowings due within one year.

### 5.27.3 Bonds payable due within one year

Item	Closing amount	Opening amount
Huaxia Private Bonds(华夏私募债券)		1,000,000,000.00

### 5.27.4 Long-term payables due within one year

Item	Closing amount	Opening amount
Long-term payables under finance leases	176,078,077.86	95,378,001.40

## 5.28 Long-term borrowings

### 5.28.1 Long-term borrowings by category

Item	Closing amount	Opening amount
Guaranteed borrowings		
Secured borrowings	897,958,861.94	405,817,195.78
Pledged borrowings	1,245,963,758.00	1,688,801,518.00
Total	2,143,922,619.94	2,094,618,713.78

A bank loan of USD250,000,000.00 equivalent to RMB1,524,225,000 (31 December 2013: equivalent to RMB1,524,225,000.00) granted to HNA Infrastructure Company Limited, a subsidiary of the Company, has been pledged by 51% equity interest in Hainan Meilan International Airport Cargo Transportation Co., Ltd. owned by the Company and has been secured by the Group's land use rights of carrying amount of approximately RMB8,717,183.00 (RMB11,852,138.00 at cost). Interest is payable quarterly. The principle is repaid by instalment before 30 December 2016.

A bank loan of USD26,993,475 equivalent to RMB165,173,074 (31 December 2013: USD44,993,475.00 equivalent to

RMB274,320,718.00) granted to HNA Infrastructure Company Limited, a subsidiary of the Company, has been pledged by 24.50% equity interest in HNA Airport Group Holdings Limited owned by the Company. Interest is payable quarterly. The principle is repaid by instalment before 26 January 2016.

In 2013, a bank loan of RMB395,000,000.00 granted to the Company was secured by the land use right of Hai Kou Shi Guo Yong (2007) No. 006491. Interest is payable quarterly. The principle is repaid by instalment before 23 July 2016. RMB25,000,000.00 was repaid in 2014.

### 5.29 Bonds payable

Item	Opening carrying amount	Opening carrying amount
Bonds payable	3,393,619,030.00	2,392,365,219.00

Bonds payable of the Company represents the mid-term notes issued by the Company.

### 5.30 Long-term payables

Item	Closing amount	Opening amount
Payables under finance leases	443,019,701.97	384,710,757.61

#### ① Breakdown

Item	Closing amount	Opening amount
Great Wall Guoxing Financial Leasing Co., Ltd.	178,325,648.28	234,734,840.74
Jiangsu Financial Leasing Co., Ltd.	113,654,323.62	149,975,916.87
International Far Eastern Leasing Co., Ltd.	151,039,730.07	
Total	443,019,701.97	384,710,757.61

### 5.31 Deferred income

Item	Carrying amount at the end of the period	Opening carrying amount
Government grants related to assets	77,390,000.00	74,490,000.00
Unrealised sale-leaseback loss and profit	105,280,464.74	18,336,331.00
Total	182,670,464.74	92,826,331.00

### 5.32 Paid up capital

Name of shareholder	Opening amount	Increase during the period	Decrease during the period	Closing amount
Hainan Development Holdings Co., Ltd.	517,117,602.00			517,117,602.00
China National Aviation Fuel Supply Co., Ltd.	64,674,500.00			64,674,500.00
Hainan Airlines Co., Ltd.	245,000,000.00			245,000,000.00
HNA Airport Group Limited	460,488,000.00	24,509,804.00		484,997,804.00
Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd.	492,950,000.00			492,950,000.00

Yangpu Lianhai Industry and Trade Co., Ltd.	148,683,000.00			148,683,000.00
China Southern Airlines Company Limited	100,000,000.00			100,000,000.00
Hainan Hanghui Agriculture Development Co., Ltd.		465,686,275.00		465,686,275.00
Total	2,028,913,102.00	490,196,079.00		2,519,109,181.00

The paid-in registered capital of the Company was verified in “Hai Chang Xing Yan (2004) No.129” capital verification report issued by Hainan Changxing Certified Public Accountants (海南昌興會計師事務所), “Hai Xiang Yan Zi [2008] No.007” capital verification report and “(2008) Xiang De Yan Zi No.027” capital verification report issued by Hainan Xiangde CPA Ltd. (海南翔得會計師事務所), and “Li Xin Hui Yan Zi (2014) No.489” capital verification report issued by Hainan Lixin Changjiang Certified Public Accountants (海南立信長江會計師事務所).

### 5.33 Capital reserve

#### 5.33.1 Breakdown

Item	Opening amount	Increase during the period	Decrease during the period	Closing amount
Capital premium (share premium)	503,040,062.87	509,803,921.00		1,012,843,983.87
Other capital reserve	265,964,164.72		17,391,304.69	248,572,860.03
Total	769,004,227.59	509,803,921.00	17,391,304.69	1,261,416,843.90

Note: Share premium amounted to RMB509,803,921.00 due to capital increase of the Company.

### 5.34 Other comprehensive income

#### 5.34.1 Breakdown

Item	Opening amount	Increase during the period	Decrease during the period	Closing amount
I. Other comprehensive income which will not be reclassified subsequently to profit or loss				
1. Changes of net liabilities or net assets due to remeasurement of defined benefit plan				
2. Other comprehensive income which will not be reclassified to profit or loss attributable to an investee under the equity method				
3. Others				
Sub-total				
II. Other comprehensive income which will be reclassified subsequently to profit or loss				
1. Other comprehensive income which will be reclassified to profit or loss attributable to an investee under the equity method	-51,005,745.89	50,264,654.55		-741,091.34
2. Gain or loss on changes in fair value of available-for-sale financial assets	137,616,300.00	204,207,573.00		341,823,873.00
3. Gain or loss on reclassification of held-to-maturity investments as available-for-sale financial assets				
4. Effective portion of gain or loss in a cashflow hedge				

5. Exchange differences on translation of foreign financial statements				
6. Others	133,383,357.77			133,383,357.77
Sub-total	219,993,911.88	254,472,227.55		474,466,139.43
Total	219,993,911.88	254,472,227.55		474,466,139.43

#### 5.34.2 Particulars of changes

Item	Amount for the period	Amount for the previous period
I. Other comprehensive income which will not be reclassified subsequently to profit or loss		
1. Changes of net liabilities or net assets due to remeasurement of defined benefit plan		
Less: Effect of related income tax		
Sub-total		
2. Other comprehensive income which will not be reclassified subsequently to profit or loss attributable to an investee under the equity method		
Less: Effect of related income tax		
Sub-total		
3. Others		
Less: Effect of related income tax		
Sub-total		
Total		
II. Other comprehensive income which will be reclassified subsequently to profit or loss		
1. Other comprehensive income which will be reclassified to profit or loss attributable to an investee under the equity method	50,264,654.55	-1,186,678.62
Less: Effect of related income tax		
Net amount transferred to profit or loss from other comprehensive income		
Sub-total	50,264,654.55	-1,186,678.62
2. Gains (losses) from available-for-sale financial assets	272,276,764.00	-22,050,583.00
Less: Effect of related income tax	68,069,191.00	-5,512,645.75
Net amount transferred to profit or loss from other comprehensive income		
Sub-total	204,207,573.00	-16,537,937.25
3. Gain or loss on reclassification of held-to-maturity investments as available-for-sale financial assets		
Less: Effect of related income tax		
Net amount transferred to income statement from other comprehensive income		
Sub-total		
4. Gains (losses) from cash-flow hedging instruments		
Less: Effect of related income tax		
Net amount transferred to profit or loss from other comprehensive income		
Adjustment to the initially recognised amount of designated hedged items		

Sub-total		
5. Exchange differences on translation of foreign financial statements		
Less: Net amount transferred to profit or loss on disposal of foreign operations		
Sub-total		
6. Others		
Less: Effect of related income tax		
Net amount transferred to profit or loss from other comprehensive income		
Sub-total		
Sub-total	254,472,227.55	-17,724,615.87
Total	254,472,227.55	-17,724,615.87

### 5.35 Surplus reserve

Item	Opening amount	Increase during the period	Decrease during the period	Closing amount
Statutory surplus reserve	18,806,460.60	3,645,930.83		22,452,391.43

### 5.36 Retained earnings

Item	Amount	Appropriation/ distribution ratio
Before adjustment: retained earnings at the end of the pervious year	1,058,006,261.19	
Adjustment: total retained earnings at the beginning of the year	16,741,192.69	
After adjustment: retained earnings at the beginning of the year	1,074,747,453.88	
Add: Net profit attributable to parent company	168,249,680.74	
Less: Withdrawal of statutory surplus reserves	3,645,930.83	10%
Withdrawal of discretionary surplus reserves		
Withdrawal of general risk reserves		
Ordinary share dividend payable	8,000,000.00	
Capitalised ordinary share dividend		
Retained earnings at the end of the period	1,231,351,203.79	

### 5.37 Revenue, operating cost

#### 5.37.1 Revenue and operating cost

Item	Amount during the period	Amount during the previous period
Revenue	3,660,416,797.76	3,438,621,078.68
Including: revenue from major businesses	3,653,910,151.00	3,431,155,588.28
Other income	6,506,646.76	7,465,490.40
Operating cost	2,908,909,320.87	2,771,632,297.11
Including: operating cost of major businesses	2,908,632,652.40	2,771,229,827.41
Other operating cost	276,668.47	402,469.70

Revenue for 2014 increased by RMB221,795,719.08, or 6.45% as compared to the pervious year mainly due to the growth of business volume.



5.37.2 Major businesses by industry

Name of industry	Amount during the period		Amount during the previous period	
	Revenue	Operating cost	Revenue	Operating cost
Airport ground service	472,410,203.96	451,355,333.26	417,840,026.18	378,631,441.27
Refund of airport construction fee	160,621,367.00		138,593,584.00	
Leasing	45,594,595.96		39,309,013.07	
Franchise income	208,534,299.00		159,177,174.00	
Freight and packaging income	74,381,508.00		67,893,912.00	
Other service	134,833,518.51		111,799,704.32	
Jet aviation fuel and oil	2,557,534,658.57	2,457,277,319.14	2,496,542,174.71	2,392,598,386.14
Total	3,653,910,151.00	2,908,632,652.40	3,431,155,588.28	2,771,229,827.41

5.37.8 Major businesses by region

Name of region	Amount during the period		Amount during the previous period	
	Revenue	Operating cost	Revenue	Operating cost
Haikou	3,653,910,151.00	2,908,632,652.40	3,431,155,588.28	2,771,229,827.41

5.38 Business taxes and surcharges

Item	Amount during the period	Amount during the previous period
Business tax	18,183,163.83	33,237,916.18
Urban maintenance and construction tax	3,421,851.47	3,764,513.99
Education surcharge	1,949,958.23	2,078,819.15
Local education surcharge	543,718.17	655,327.41
Total	24,098,691.70	39,736,576.73

5.39 Finance costs

Item	Amount during the period	Amount during the previous period
Interest expenses	278,617,373.57	356,906,344.59
Less: Interest income	35,507,890.01	26,905,183.19
Exchange losses	7,924,283.00	-984,890.09
Less: Exchange gains	9,484.02	17,029,025.51
Swap gains or losses		
Handling fees of financial institutions	2,534,552.63	6,070,361.63
Others	25,494,469.65	13,476,426.25
Total	279,053,304.82	331,534,033.68

5.40 Assets impairment losses

Item	Amount during the period	Amount during the previous period
1. Bad debt loss	598,232.17	840,197.95
2. Provision for decline in the value of inventories	14,264,885.41	
Total	14,863,117.58	840,197.95

#### 5.41 Gains on the changes in fair value

Item	Amount during the period	Amount during the previous period
Investment property measured at fair value	56,245,702.51	10,187,414.00

#### 5.42 Investment income

##### (1) Breakdown of investment income

Item	Amount during the period	Amount during the previous period
Gains on long-term equity investments under the cost method		
Gains on long-term equity investments under the equity method	48,058,381.39	25,474,356.19
Investment income on disposal of long-term equity investments	-29,972.00	-68,000.00
Investment income on held-for-trading financial assets		
Investment income on held-to-maturity investments	81,999,600.00	184,155,485.56
Investment income on available-for-sale financial assets	28,159,958.21	84,014,979.88
Investment income on disposal of held-for-trading financial assets		
Investment income on disposal of held-to-maturity investments		
Investment income on disposal of available-for-sale financial assets	-48,499,146.83	
Others		11,842.47
<b>Total</b>	<b>109,688,820.77</b>	<b>293,588,664.10</b>

##### (2) Gains on long-term equity investments under the equity method

Investee	Amount during the period	Amount during the previous period	Reasons for increase/decrease as compared with the previous period
Yangtze River Insurance Brokers Ltd.	-138,243.24	-419,747.41	
Lianxun Securities Ltd.	16,723,986.63	-1,037,560.40	
HNA Airport Holding Limited	31,472,638.00	26,931,664.00	
<b>Total</b>	<b>48,058,381.39</b>	<b>25,474,356.19</b>	

#### 5.43 Non-operating income

Item	Amount during the period	Amount during the previous period
Total gains on disposal of non-current asset	57,422.52	6,602.25
Including: Gains on disposal of fixed assets	57,422.52	6,602.25
Gains on disposal of intangible assets		
Gains on debt restructuring		
Gains on exchange of non-monetary assets		
Donations		
Government grants	23,166,200.00	4,932,200.00
Other income	8,752,105.07	416,327.20
Penalty income		
Disposal of debts		

Refund of taxes	1,108,417.46	98,116.93
Total	33,084,145.05	5,453,246.38

#### 5.44 Non-operating expenses

Item	Amount during the period	Amount during the previous period
Total losses on disposal of non-current asset	5,948,455.38	1,668,242.22
Including: Losses on disposal of fixed assets	5,948,455.38	1,668,242.22
Losses on disposal of intangible assets		
Losses on debt restructuring		
Losses on exchange of non-monetary assets		
Donations	232,000.00	
Penalty expenses		
Other expenses	2,127,256.89	1,595,788.03
Late charges for tax payments		
Total	8,307,712.27	3,264,030.25

#### 5.45 Income tax expenses

Item	Amount during the period	Amount during the previous period
Current income tax calculated according to tax law and relevant provisions	116,104,147.90	64,339,514.53
Adjustment of deferred income tax	9,933,246.33	-2,460,378.39
Total	126,037,394.23	61,879,136.14

#### 5.46 Supplemental information on the statement of cash flows

##### 5.46.1 Supplemental information on the statement of cash flows

Item	Amount during the period	Amount during the previous period
1. Net profit adjusted to cash flows in relation to operating activities:		
Net profit	343,092,847.75	390,936,359.57
Add: provision for impairment to assets	14,863,117.58	840,197.95
Depreciation of fixed assets, oil and gas assets and production related biological materials	110,762,386.41	102,800,407.84
Amortisation of intangible assets	6,968,298.62	6,994,361.51
Amortisation of long-term deferred Expenses	7,702,874.40	-3,664,488.69
Amortisation of deferred income	-3,253,731.00	-1,202,325.00
Losses on disposal of fixed assets, intangible assets and other long-term assets	5,891,032.86	1,215,370.21
Losses on the changes in fair value	-56,245,702.51	-10,187,414.00
Finance expenses	313,163,230.16	356,906,344.59
Investment losses	-109,688,820.77	-293,588,664.10
Decrease in deferred income tax assets	-4,128,179.30	-5,269,615.48
Increase in deferred income tax liabilities	14,061,425.63	2,809,237.09
Decrease in inventories	3,177,499.78	43,447,017.89

Decrease in operating receivables	-448,526,313.65	21,243,196.22
Increase in operating payables	410,593,147.10	145,701,002.75
Others	-1,730,093.78	3,935,934.26
Net cash flows from operating activities	606,703,019.28	762,916,922.61
<b>2. Significant investment and financing activities not related to cash receipts and payments:</b>		
Capitalised debts		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents</b>		
Closing balance of cash	2,798,471,199.88	3,689,913,456.95
Less: opening balance of cash	3,689,913,456.95	2,149,741,873.23
Plus: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-891,442,257.07	1,540,171,583.72

#### 5.46.2 Composition of cash and cash equivalents

Item	Closing balance	Opening balance
1. Cash	2,798,471,199.88	3,689,913,456.95
Including: Cash on hand	406,717.48	748,020.39
Bank deposits available on demand	2,798,064,482.40	3,689,165,436.56
Other cash assets available on demand		
Deposits with the central bank available on demand		
Deposits with other banks		
Inter-bank lending		
2. Cash equivalents		
Including: bonds investment due within 3 months		
3. Closing Balance of cash and cash equivalents	2,798,471,199.88	3,689,913,456.95

#### Note 6 Related Parties and Transactions with Related Parties

##### 6.1 Top 3 Shareholders of the Company

Names of Top 3 Shareholders	Relationship	Type	Place of registration	Legal representative	Principal activities	Registered capital	Shareholding in the Company (%)
Hainan Developing Holding Company Limited	Shareholder of the Company	Limited liability (State-owned)	Haikou	Liu Minggui	Investment management	3,611,046,215.00	20.53
Gansu Province Highway Aviation Tourism Investment Group Co., Ltd.	Shareholder of the Company	Limited liability	Gansu	Kang Jun	Transportation, storage and postal service	20,000,000,000.00	19.57
HNA Airport Group Limited	Shareholder of the Company	Limited liability	Haikou	Liang Jun	Catering	10,037,400,000.00	19.25

##### 6.2 Subsidiaries of the Company

Name of subsidiary	Type of subsidiary	Type of business	Place of registration	Legal representative
Hainan Meiya Enterprise Company Limited	Controlling subsidiary	Limited liability	Haikou	Yao Taimin
HNA Infrastructure Company Limited	Controlling subsidiary	Stock limited company	Haikou	Wang Zhen
Haikou Meilan International Airport DutyFree Shop Ltd.	Controlling subsidiary of a controlling subsidiary	Limited liability	Haikou	Dong Guiguou
Hainan Meilan International Airport Cargo Transportation Co., Ltd.	Controlling subsidiary of a controlling subsidiary	Limited liability	Haikou	Liang Jun

Name of subsidiary	Nature of business	Register capital	Percentage of shareholding (%)	Percentage of voting right (%)	Organisation code
Hainan Meiya Enterprise Company Limited	Catering industry	87,500,000.00	50	50	29373289-6
HNA Infrastructure Company Limited	Catering industry	473,213,000.00	50.189	50.189	72127172-4
Haikou Meilan International Airport Duty Free Shop Ltd.	Retailing industry	1,000,000.00	100	100	71381033-7
Hainan Meilan International Airport Cargo Transportation Co., Ltd.	Catering industry	20,000,000.00	51	51	69893816-3

### 6.3 Joint ventures and associates of the Company

Name of investee	Type of company	Place of registration	Legal representative	Principal activities	Registered capital	Shareholding by the Company (%)	Percentage of voting right in the investee (%)	Relationship	Organisation code
1. Joint ventures									
2. Associates									
Yangtze River Insurance Brokers Ltd.	Limited liability	Beijing	Yang Sumei	Finance	50,000,000.00	49.00	49.00		
Haikou Decheng Industrial Development Co., Ltd.	Limited liability	Haikou, Hainan Province	Wu Shu	Property development, resort operation, eco-agriculture development and Gardening	101,681,000.00	30.00	30.00		
Lianxun Securities Ltd.	Limited liability	Huizhou, Guangdong Province	Xu Gang	Finance	115,839,601.18	20.64	20.64		
Hainan Airlines Airport Holding Group Company Limited	Limited liability	Haikou, Hainan Province	Dong Guiguou	Airport investment, holding, constructing and renovation	3,020,151,992.00	24.5	24.50		

### 6.4 Other related parties of the Company

Name of other related parties	Relationship with the Company
HNA Airport Group Limited	Shareholder
Hainan Airlines Co., Ltd.	Shareholder

China Southern Airlines Co., Ltd.	Shareholder
HNA Group Company Limited	Significance influence over the Company
HNA Group Financial Co., Ltd.	Controlled by HNA Group
Western Airline Co., Ltd.	Controlled by HNA Group
Grand China Aviation Ground Service Co., Ltd	Controlled by HNA Group
Beijing Capital Airlines Co., Ltd.	Controlled by HNA Group
Changjiang Leasing Co., Ltd.	Controlled by HNA Group
HNA Realty Group Company Limited	Controlled by HNA Group
HNA Hotel (Group) Co., Ltd	Associate of HNA Group
HNA Commercial Holding Group Limited	Controlled by HNA Group
HNA Safe Car Rental Co. Ltd.	Controlled by HNA Group
Haikou Decheng Industrial and Development Co., Ltd.	Controlled by HNA Group
HNA Real Estate Holdings (Group) Co., Ltd.	Controlled by HNA Group
HNA Systems Company Limited	Controlled by HNA Group
Hainan HNA China Duty Free Merchandise Co. Ltd	Jointly controlled by HNA Group
Hainan Kangle Garden Golf Club Ltd.	Controlled by HNA Group
Manzhouli Xijiao Airport Company Limited	Controlled by HNA Group
Sanya Phoenix International Airport Company Limited	Controlled by HNA Group
Tianjin Airlines Co., Ltd.	Controlled by HNA Group
Luckyway International Travel Service Co., Ltd.	Controlled by HNA Group
Yichang Three Gorges Airport Co., Ltd	Controlled by HNA Group
Hainan Meilan International Airport Travelling Co., Ltd	Controlled by HNA Group
HNA Property Holding (Group) Limited	Controlled by HNA Group
Hainan Meilan HNA Hotel Co., Ltd.	Associate of HNA Group
HNA Infrastructure Industry Group Limited	Controlled by HNA Group
HNA Holding Group Co., Ltd	Controlled by HNA Group

## 6.5 Transactions with related parties

### 6.5.1 Transactions with related parties regarding purchase of goods and receipt of services

Related party	Type of transaction	Pricing policy and procedure for decision-making	Amount during the period	Amount during the previous period
HNA Real Estate Holdings (Group) Co., Ltd.	Cleaning service, property management, and passenger luggage cart service and aircraft cabin cleaning service	Market price	21,693,615.00	15,204,829.00
Hainan Airlines Co., Ltd.	Purchase of packaging materials	Market price		20,040,998.00
HNA Cargo Transportation Co., Ltd.	Services rendered	Market price	24,335,241.00	5,542,399.00

Hainan Meilan International Airport Travelling Co., Ltd	Services rendered	Market price	3,655,696.00	1,944,375.00
Hainan Eking Technology Co., Ltd.	Services rendered	Market price	3,160,000.00	3,182,274.00
HNA Safe Car Rental Co., Ltd.	Services rendered	Market price	1,965,600.00	1,817,640.00
Hainan Airlines Food Company Co., Ltd.	Services rendered	Market price	246,279.00	196,140.00

#### 6.5.2 Transactions with related parties regarding sales of goods and rendering of services

Related party	Type of transaction	Pricing policy and procedure for decision-making	Amount during the period	Amount during the previous period
Hainan Airlines Co., Ltd.	Airport ground service and shipping service	Market price	159,418,959.78	152,534,877.44
Beijing Capital Airlines Co., Ltd.	Airport ground service	Market price	57,485,510.74	62,000,880.92
Tianjin Airlines Co., Ltd.	Airport ground service	Market price	24,571,305.92	19,609,556.91
Western Airline Co., Ltd.	Airport ground service	Market price	3,297,851.03	3,643,303.79
Deer Jet Co., Ltd.	Airport ground service	Market price	3,438,876.00	821,600.00

The company and its subsidiary, i.e. HNA Infrastructure Company Limited, provide HNA Airlines and other airlines with routine airport ground services, including landing facilities, basic ground services, passenger and baggage services and other related services at the rates prescribed by the General Administration of Civil Aviation of China.

#### 6.5.3 Franchise

Related party	Type of transaction	Pricing policy and procedure for decision-making	Amount during the period	Amount during the previous period
Hainan Airlines Food Company Co., Ltd.	Aviation food franchise	Market price		875,335.00
Hainan HNA China Duty Free Merchandise Co. Ltd	Franchise sales	Market price	6,686,505.00	5,824,530.00
Hainan Meilan International Airport Travelling Co., Ltd	Travelling franchise	Market price	4,350,000.00	4,120,000.00

#### 6.5.4 Related party leases

##### ① The Company as a lessor

Name of lessor	Name of lessee	Type of leasing assets	Beginning date	Maturity date	Leasing income recognised for 2014	Leasing income recognised for 2013
HNA Infrastructure Company Limited	Hainan Airlines Co., Ltd.	Operating lease	1 January 2011	31 December 2014	7,074,917.42	5,897,901.00
Haikou Meilan International Airport Company Limited	Hainan Meilan HNA Hotel Co., Ltd.	Operating lease	1 January 2009	31 December 2014	1,800,000.00	1,880,000.00

#### 6.5.5 Interest income from deposits

In 2014, interest income from bank deposits with Group Financial Company was:

Name of company	Amount during the period	Amount during the previous period
HNA Infrastructure Company Limited	10,544,802.00	11,392,621.00

### 6.5.6 Related party guarantee

As at the end of the Reporting Period, the Company provided guarantee for the loans of Hainan Airlines Co., Ltd. and other related parties for an amount of RMB1.29 billion.

## 6.6 Receivables from and payables to related parties

### 6.6.1 Receivables from/ advances to related parties

Item	Related party	Closing balance		Opening balance	
		Carrying balance	Provision for bad debts	Carrying balance	Provision for bad debts
Receivables	Hainan Airlines Co., Ltd.	61,377,353.22		447,072.00	
	Beijing Capital Airlines Co., Ltd.	31,064,911.07		11,440,028.00	
	Tianjin Airlines Co., Ltd.	11,162,382.93		4,065,540.00	
	Hainan HNA China Duty Free Merchandise Co. Ltd	11,603,914.95		752,369.35	
	Hainan Meilan HNA Hotel Co., Ltd.	10,343,333.40		8,555,566.58	
	Others	5,256,307.00		4,651,191.00	
	Subtotal	130,808,202.57		29,911,766.93	
Other receivables	HNA Holding Group Co., Ltd	1,223,168,666.67			
	Grand China Aviation Ground Service Co., Ltd	135,924,197.57		9,923,677.57	
	Grand China Shipping (YanTai) Co., Ltd.	95,000,000.00		89,050,000.00	
	Haikou New City Area Construction Development Company Limited	81,500,000.00		30,500,000.00	
	Shanghai Jiadeli Supermarket Co., Ltd	80,000,000.00			
	HNA Airport Group Co., Ltd.	12,747,134.21		333,441,902.88	
	Others	132,464,074.02		712,260,523.82	
	Subtotal	1,760,804,072.47		1,175,176,104.27	

### 6.6.2 Payables to/advances from related parties

Item	Related parties	Closing balance	Opening balance
Payables	HNA Real Estate Holdings (Group) Co., Ltd.	5,209,585.00	4,307,138.00
	HNA Cargo Transportation Co., Ltd.		2,210,139.00
	Hainan Meilan International Airport Travelling Co., Ltd	3,716,964.00	1,944,375.00
	HNA Safe Car Rental Co. Ltd.	491,040.00	333,360.00
	Hainan Airlines Food Company Co., Ltd.	276,491.00	75,940.00
	Hainan Eking Technology Co., Ltd.	1,046,422.00	433,333.00
	subtotal	10,740,502.00	9,304,285.00
Other payables	HNA Property Holding (Group) Limited	47,293,041.00	
	Hainan Airlines Co., Ltd.	22,841,957.00	13,822,714.00
	Hainan HNA Airlines Import & Export Co.,Ltd.	9,218,479.85	9,218,479.85



	HNA Hotel Holdings Ltd.	8,960,000.00	8,960,000.00
	HNA Real Estate Holdings (Group) Co., Ltd.	2,228,161.26	1,289,374.35
	Others	6,297,535.35	35,668,026.64
	subtotal	96,839,174.46	68,958,594.84
Advances	Hainan HNA China Duty Free Merchandise Co. Ltd	61,900.90	61,900.90

#### Note 7 Particulars of Contingency

As of the end of the Reporting Period, the Company had no significant contingencies necessary to be disclosed.

#### Note 8 Particulars of commitments

On 26 August 2011, the Company entered into the Land Use Right Transfer Agreement and the Terminal Expansion Agreement with Haikou Meilan, pursuant to which, in order to facilitate the expansion of and the obtaining of relevant property ownership certificate(s) as a whole by Haikou Meilan, the Company will transfer the land use right of the land with a site area of approximately 125 acres at a consideration of RMB31,289,734.00. In addition, the company has agreed to sell all assets comprising the project upon completion of construction of the project, including but not limited to, the land use rights of the project, and all buildings, equipment, facilities and other related assets comprising the Project upon completion of construction of the Project, at a consideration of RMB1,096,806,000.00.

On 12 December 2012, the original Terminal Expansion Agreement was terminated. The Company has executed another Investment and Construction Agreement with Haikou Meilan, pursuant to which the total consideration relating to the project is RMB1,026,680,000.00, including the estimated construction cost of RMB876,500,000.00 and land use rights on the price of RMB150,180,000.00. The construction of the project will be completed by 31 December 2013 or earlier. The above resolution has been approved by the extraordinary general shareholders meeting held on 4 March 2013.

#### Note 9 Non-adjusting post balance sheet event

As of the end of the Reporting Period, the Company had no non-adjusting post balance sheet events necessary to be disclosed.

#### Note 10 Notes to the financial statements of the parent company

##### 10.1 Receivables

##### 10.1.1 Ageing analysis

Ageing	Closing balance			Opening balance		
	Amount	%	Provision of bad debts	Amount	%	Provision of bad debts
Within 1 year	8,625,022.91	52.95		3,432,369.39	36.88	
1-2 years	2,680,000.04	16.45		4,039,125.82	43.39	
2-3 years	4,039,125.82	24.80		1,836,440.72	19.73	
Over 3 years	944,207.58	5.80				

Total	16,288,356.35	100.00		9,307,935.93	100.00	
Net	16,288,356.35			9,307,935.93		

10.1.2 As at the end of the period, the Group had no payables to any shareholders holding 5% (inclusive) or more of the voting rights of the Company.

10.1.3 Receivables from related parties

Name of company	Relationship	Amount	Percentage of total receivables (%)
Hainan Meilan HNA Hotel Co., Ltd.	Associate of HNA Group	10,343,333.40	63.50
Haikou Meilan International Airport Duty Free Shop Ltd.	Under jointly controlled by HNA Group	5,933,322.95	36.43
Total		16,276,656.35	99.93

## 10.2 Other receivables

10.2.1 Ageing analysis

Ageing	Closing balance			Opening balance		
	Amount	%	Provision of bad debts	Amount	%	Provision of bad debts
Within 1 year	1,544,517,030.77	83.16		1,003,399,127.19	73.86	
1-2 years	121,816,386.60	6.56	154,993.43	40,558,928.50	2.99	343.39
2-3 years	39,685,888.45	2.14	536.51	8,762,909.31	0.65	53,610.74
Over 3 years	151,333,266.09	8.14	2,110,959.54	305,777,680.29	22.5	2,058,186.19
Total	1,857,352,571.91	100.00	2,266,489.48	1,358,498,645.29	100.00	2,112,140.32
Net	1,855,086,082.43			1,356,386,504.97		

10.2.2 Payables to any shareholders holding 5% (inclusive) or more of the voting rights of the Company as at the end of the period

Name of company	Closing balance		Opening balance	
	Amount	Provision of bad debts	Amount	Provision of bad debts
Hainan Airlines Co., Ltd.	24,554,756.74		27,316,242.74	
HNA Airport Group Limited	12,747,134.21		333,441,902.88	
Total	37,301,890.95		360,758,145.62	

## 10.3 Long-term equity investments

Investee	Accounting method	Investment cost	Opening balance	Increase/decrease	Closing balance	Shareholding In investee (%)
Hainan Meiya Enterprise Company Limited	Cost method	50,312,290.32	50,312,290.32		50,312,290.32	50.00
HNA Infrastructure Company Limited	Cost method	310,204,570.24	310,204,570.24		310,204,570.24	50.189
Haikou Meilan International	Cost method	50,000.00	50,000.00		50,000.00	5.00

Airport Duty Free Shop Ltd.						
Yangtze River Insurance Brokers Ltd.	Equity method	24,500,000.00	33,551,461.47	-138,243.24	33,413,218.23	49.00
Lianxun Securities Ltd.	Equity method	346,851,356.89	177,995,218.98	174,575,241.63	352,570,460.61	20.64
<b>Total</b>		<b>731,918,217.45</b>	<b>572,113,541.01</b>	<b>174,436,998.39</b>	<b>746,550,539.40</b>	

Investee	Shareholding In investee (%)	Information on inconsistency between shareholding in investee and percentage of voting rights	Provision of impairment	Provision of impairment for 2014	Cash dividends
Hainan Meiya Enterprise Company Limited	50.00				5,000,000.00
HNA Infrastructure Company Limited	50.189				40,137,500.00
Haikou Meilan International Airport Duty Free Shop Ltd.	5.00				
Yangtze River Insurance Brokers Ltd.	49.00				
Lianxun Securities Ltd.	20.64				
<b>Total</b>					<b>45,137,500.00</b>

#### 10.4 Revenue and operating cost

Item	Amount during the period	Amount during the previous period
Revenue	236,648,923.82	193,256,028.09
Including: Revenue from major businesses	235,288,353.82	191,779,937.89
Other income	1,360,570.00	1,476,090.20
Operating cost	147,197,318.82	116,592,513.12
Including: operating cost of major businesses	147,197,318.82	116,592,513.12
Other operating cost		

#### 10.5 Investment gains

##### 10.5.1 Particulars of investment gains

Name	Amount during the period	Amount during the previous period
Investment gains on long-term equity investments under the cost method	45,137,500.00	71,050,000.00
Investment gains on long-term equity investments under the equity method	16,585,743.39	-1,457,307.81
Investment gains on disposal of long-term equity investments		-68,000.00
Investment gains on held-for-trading financial assets		
Investment gains on held-to-maturity investments	81,999,600.00	184,155,485.56
Investment gains on available-for-sale financial assets	28,159,958.21	84,014,979.88
Investment gains on disposal of held-for-trading financial assets		
Investment gains on disposal of held-to-maturity investments		
Investment gains on disposal of available-for-sale financial assets	-48,499,146.83	
Others		11,842.47
<b>Total</b>	<b>123,383,654.77</b>	<b>337,707,000.10</b>

##### 10.5.2 Investment gains on long-term equity investments under cost method of accounting

Investee	Amount during the period	Amount during the previous period
Hainan Meiya Enterprise Company Limited	5,000,000.00	15,000,000.00
HNA Infrastructure Company Limited	40,137,500.00	56,050,000.00
Total	45,137,500.00	71,050,000.00

#### 10.5.3 Investment gains on long-term equity investments under equity method of accounting

Investee	Amount during the period	Amount during the previous period
Yangtze River Insurance Brokers Ltd.	-138,243.24	-419,747.41
Lianxun Securities Ltd.	16,723,986.63	-1,037,560.40
Total	16,585,743.39	-1,457,307.81

Since the Company had no significant influence on Bohai International Trust Co., Ltd., for the period, no investment gains were recognised under cost method of accounting.

#### 10.6 Supplemental information on the statement of cash flows

Item	Amount during the period	Amount during the previous period
1. Net profit adjusted to cash flows in relation to operating activities:		
Net profit	36,459,308.27	80,017,556.06
Add: Provision for impairment to assets	154,349.17	301,485.95
Depreciation of fixed assets, oil and gas assets and production related biological materials	45,438,662.20	42,775,311.39
Amortisation of intangible assets	3,301,353.35	3,279,393.58
Amortisation of long-term deferred expenses	5,616,960.68	
Losses on disposal of fixed assets, intangible assets and other long-term assets	2,689,920.11	1,607,760.92
Losses on retirement of fixed assets		
Losses on the changes in fair value	-56,245,702.51	-10,187,414.00
Finance expenses	207,526,893.68	270,150,168.07
Investment losses	-123,383,654.77	-337,707,000.10
Decrease in deferred income tax assets	-38,587.30	-75,371.48
Increase in deferred income tax liabilities	14,061,425.63	2,809,237.09
Decrease in inventories		
Decrease in operating receivables	-404,665,650.60	31,448,531.65
Increase in operating payables	562,458,539.23	125,590,772.74
Others	-5,573,255.00	
Net cash flows from operating activities	287,800,562.14	210,010,431.87
2. Significant investment and financing activities not related to cash receipts and payments:		
Transfer of assets to Sinopec Group		
Revaluation gains		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents		
Closing balance of Cash	857,707,830.70	632,151,847.21

Less: Opening balance of Cash	632,151,847.21	893,778,058.70
Plus: Closing balance of Cash equivalents		
Less: Opening balance of Cash equivalents		
Net increase in cash and cash equivalents	225,555,983.49	-261,626,211.49



海口美兰国际机场有限责任公司

Haikou Meilan International Airport Company Limited

Legal representative:



Person in charge of accounting function:



Person in charge of accounting department:



12 April 2015

# 审计报告

中审亚太审字(2015)010663号

海口美兰国际机场有限责任公司董事会:

我们审计了后附的海口美兰国际机场有限责任公司(以下简称贵公司)财务报表,包括2014年12月31日的合并及母公司资产负债表,2014年度的合并及母公司利润表、合并及母公司所有者权益变动表和合并及母公司现金流量表以及财务报表附注。

## 一、管理层对合并财务报表的责任

编制和公允列报财务报表是贵公司管理层的责任,这种责任包括:(1)按照企业会计准则的规定编制财务报表,并使其实现公允反映;(2)设计、执行和维护必要的内部控制,以使财务报表不存在由于舞弊或错误导致的重大错报。

## 二、注册会计师的责任

我们的责任是在执行审计工作的基础上对财务报表发表审计意见。我们按照中国注册会计师审计准则的规定执行了审计工作。中国注册会计师审计准则要求我们遵守中国注册会计师职业道德守则,计划和执行审计工作以对财务报表是否不存在重大错报获取合理保证。

审计工作涉及实施审计程序,以获取有关财务报表金额和披露的审计证据。选择的审计程序取决于注册会计师的判断,包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时,注册会计师考虑与财务报表编制和公允列报相关的内部控制,以设计恰当的审计程序,但目的并非对内

部控制的有效性发表意见。审计工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价财务报表的总体列报。

我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

### 三、审计意见

我们认为，贵公司财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了贵公司2014年12月31日的合并及母公司财务状况以及2014年度的合并及母公司经营成果和现金流量。

中审亚太会计师事务所(特殊普通合伙) 中国注册会计师： 吴建成  
(盖章) (签名并盖章)

中国注册会计师： 胡永刚  
(签名并盖章)

中国. 北京市

二〇一五年四月二十日

# 合并资产负债表

2014年12月31日

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	年末数	年初数
<b>流动资产：</b>			
货币资金	5.1	3,063,471,199.88	3,754,913,456.95
以公允价值计量且其变动计入当期损益的金融资产			
衍生金融资产			
应收票据			
应收账款	5.2	283,392,229.24	256,406,312.90
预付款项	5.4	68,028,017.69	33,236,301.64
应收利息		2,269,667.00	5,293,245.00
应收股利			
其他应收款	5.3	1,902,063,567.84	1,363,002,040.52
存货	5.5	74,618,020.76	91,760,667.93
划分为持有待售的资产			
一年内到期的非流动资产		14,467,747.51	
其他流动资产	5.6	2,895,883.49	5,392,351.21
<b>流动资产合计</b>		<b>5,411,206,333.41</b>	<b>5,510,004,376.15</b>
<b>非流动资产：</b>			
可供出售金融资产	5.7	5,321,962,612.57	3,271,720,340.85
持有至到期投资	5.8	1,004,690,774.79	1,003,811,814.64
长期应收款		380,000,000.00	
长期股权投资	5.9	1,514,130,540.84	1,339,285,826.45
投资性房地产	5.11	285,998,097.51	229,752,395.00
固定资产	5.12	1,823,509,060.60	1,811,184,629.15
在建工程	5.13	464,476,103.27	109,881,093.76
工程物资			
固定资产清理			
生产性生物资产			
油气资产			
无形资产	5.14	337,575,688.95	347,126,402.67
开发支出			
商誉	5.15	12,315,845.19	12,315,845.19
长期待摊费用		28,758,462.65	20,347,863.25
递延所得税资产	5.16	13,723,138.37	9,594,959.07
其他非流动资产		533,844,275.05	57,393,514.57
<b>非流动资产合计</b>		<b>11,720,984,599.79</b>	<b>8,212,414,684.60</b>
<b>资产总计</b>		<b>17,132,190,933.20</b>	<b>13,722,419,060.75</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：



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## 合并资产负债表(续)

2014年12月31日

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	年末数	年初数
<b>流动负债：</b>			
短期借款	5.18	1,581,000,000.00	1,163,312,000.00
向中央银行借款			
吸收存款及同业存放			
拆入资金			
以公允价值计量且其变动计入当期损益的金融负债			
衍生金融负债			
应付票据	5.19	570,000,000.00	90,000,000.00
应付账款	5.20	136,542,957.38	121,459,148.38
预收款项	5.21	58,009,365.14	11,439,040.22
卖出回购金融资产款			
应付手续费及佣金			
应付职工薪酬	5.22	58,397,271.36	51,645,340.71
应交税费	5.23	45,920,786.96	27,799,287.15
应付利息	5.24	145,071,142.99	140,772,034.97
应付股利	5.25	5,499,500.00	666,000.00
其他应付款	5.26	326,284,074.65	252,105,327.49
应付分保账款			
保险合同准备金			
代理买卖证券款			
代理承销证券款			
划分为持有待售的负债			
一年内到期的非流动负债	5.27	782,170,077.86	1,230,122,201.40
其他流动负债			
<b>流动负债合计</b>		<b>3,708,895,176.34</b>	<b>3,089,320,380.32</b>
<b>非流动负债：</b>			
长期借款	5.28	2,143,922,619.94	2,094,618,713.78
应付债券	5.29	3,393,619,030.00	2,392,365,219.00
其中：优先股			
永续债			
长期应付款	5.30	443,019,701.97	384,710,757.61
长期应付职工薪酬			
专项应付款			
预计负债			
递延收益	5.31	182,670,464.74	92,826,331.00
递延所得税负债	5.16	176,076,590.68	93,945,974.05
其他非流动负债			
<b>非流动负债合计</b>		<b>6,339,308,407.33</b>	<b>5,058,466,995.44</b>
<b>负债合计</b>		<b>10,048,203,583.67</b>	<b>8,147,787,375.76</b>
<b>所有者权益：</b>			
实收资本	5.32	2,519,109,181.00	2,028,913,102.00
其他权益工具			
其中：优先股			
永续债			
资本公积	5.33	1,261,416,843.90	769,004,227.59
减：库存股			
其他综合收益	5.34	474,466,139.43	219,993,911.88
专项储备		5,804,057.87	3,882,477.26
盈余公积	5.35	22,452,391.43	18,806,460.60
一般风险准备			
未分配利润	5.36	1,231,351,203.79	1,074,747,453.88
归属于母公司股东的权益合计		5,514,599,817.42	4,115,347,633.21
少数股东权益		1,569,387,532.11	1,459,284,051.78
<b>所有者权益合计</b>		<b>7,083,987,349.53</b>	<b>5,574,631,684.99</b>
<b>负债和所有者权益总计</b>		<b>17,132,190,933.20</b>	<b>13,722,419,060.75</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 合并利润表

2014年度

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	本年数	上年数
<b>一、营业总收入</b>		<b>3,660,416,797.76</b>	<b>3,438,621,078.68</b>
其中：营业收入	5.37	3,660,416,797.76	3,438,621,078.68
利息收入			
已赚保费			
手续费及佣金收入			
<b>二、营业总成本</b>		<b>3,381,997,511.84</b>	<b>3,291,770,877.20</b>
其中：营业成本	5.37	2,908,909,320.87	2,771,632,297.11
利息支出			
手续费及佣金支出			
退保金			
赔付支出净额			
提取保险合同准备金净额			
保单红利支出			
分保费用			
营业税金及附加	5.38	24,098,691.70	39,736,576.73
销售费用		42,137,902.18	41,570,026.28
管理费用		112,935,174.69	106,457,745.45
财务费用	5.39	279,053,304.82	331,534,033.68
资产减值损失	5.40	14,863,117.58	840,197.95
加：公允价值变动收益（损失以“-”号填列）	5.41	56,245,702.51	10,187,414.00
投资收益（损失以“-”号填列）	5.42	109,688,820.77	293,588,664.10
其中：对联营企业和合营企业的投资收益			
汇兑收益（损失以“-”号填列）			
<b>三、营业利润（亏损以“-”号填列）</b>		<b>444,353,809.20</b>	<b>450,626,279.58</b>
加：营业外收入	5.43	33,084,145.05	5,453,246.38
其中：非流动资产处置利得		57,422.52	6,602.25
减：营业外支出	5.44	8,307,712.27	3,264,030.25
其中：非流动资产处置损失		5,948,455.38	1,668,242.22
<b>四、利润总额（亏损总额以“-”号填列）</b>		<b>469,130,241.98</b>	<b>452,815,495.71</b>
减：所得税费用	5.45	126,037,394.23	61,879,136.14
<b>五、净利润（净亏损以“-”号填列）</b>		<b>343,092,847.75</b>	<b>390,936,359.57</b>
归属于母公司股东的净利润		168,249,680.74	200,776,451.21
少数股东损益		174,843,167.01	190,159,908.36
<b>六、其他综合收益的税后净额</b>		<b>254,472,227.55</b>	<b>-17,724,615.87</b>
归属母公司股东的其他综合收益的税后净额		254,472,227.55	-17,724,615.87
(一)以后不能重分类进损益的其他综合收益			
1、重新计量设定受益计划净负债或净资产的变动			
2、权益法下在被投资单位不能重分类进损益的其他综合收益中享有的份额			
(二)以后将重分类进损益的其他综合收益		254,472,227.55	-17,724,615.87
1、权益法下在被投资单位以后将重分类进损益的其他综合收益中享有的份额		50,264,654.55	-1,186,678.62
2、可供出售金融资产公允价值变动损益		204,207,573.00	-16,537,937.25
3、持有至到期投资重分类为可供出售金融资产损益			
4、现金流量套期损益的有效部分			
5、外币财务报表折算差额			
6、其他			
归属于少数股东的其他综合收益的税后净额			
<b>七、综合收益总额</b>		<b>597,565,075.30</b>	<b>373,211,743.70</b>
归属于母公司股东的综合收益总额		422,721,908.29	183,051,835.34
归属于少数股东的综合收益总额		174,843,167.01	190,159,908.36
<b>八、每股收益：</b>			
(一)基本每股收益			
(二)稀释每股收益			

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 合并现金流量表

2014年度

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	本年数	上年数
<b>一、经营活动产生的现金流量：</b>			
销售商品、提供劳务收到的现金		4,122,324,550.84	3,926,151,096.64
收到的税费返还		488,308.96	645,116.93
收到其他与经营活动有关的现金		125,470,980.96	396,634,219.77
<b>经营活动现金流入小计</b>		<b>4,248,283,840.76</b>	<b>4,323,430,433.34</b>
购买商品、接受劳务支付的现金		3,064,141,946.37	2,972,544,436.07
支付给职工以及为职工支付的现金		210,532,005.65	174,031,962.75
支付的各项税费		170,161,541.55	126,848,512.91
支付其他与经营活动有关的现金		196,745,327.91	287,088,599.00
<b>经营活动现金流出小计</b>		<b>3,641,580,821.48</b>	<b>3,560,513,510.73</b>
<b>经营活动产生的现金流量净额</b>		<b>606,703,019.28</b>	<b>762,916,922.61</b>
<b>二、投资活动产生的现金流量：</b>			
收回投资收到的现金			12,511,842.47
取得投资收益收到的现金		105,468,783.42	266,876,036.60
处置固定资产、无形资产和其他长期资产收回的现金净额		665,733.00	303,878.70
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金			3,000,000.00
<b>投资活动现金流入小计</b>		<b>106,134,516.42</b>	<b>282,691,757.77</b>
购建固定资产、无形资产和其他长期资产支付的现金		798,079,474.90	133,578,297.05
投资支付的现金		1,858,478,000.00	
质押贷款净增加额			
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金		380,000,000.00	
<b>投资活动现金流出小计</b>		<b>3,036,557,474.90</b>	<b>133,578,297.05</b>
<b>投资活动产生的现金流量净额</b>		<b>-2,930,422,958.48</b>	<b>149,113,460.72</b>
<b>三、筹资活动产生的现金流量：</b>			
吸收投资收到的现金		1,000,000,000.00	
其中：子公司吸收少数股东投资收到的现金			
取得借款收到的现金		2,649,000,000.00	3,574,537,000.00
发行债券收到的现金		986,500,000.00	-
收到其他与筹资活动有关的现金		200,000,000.00	525,000,000.00
<b>筹资活动现金流入小计</b>		<b>4,835,500,000.00</b>	<b>4,099,537,000.00</b>
偿还债务支付的现金		2,684,310,011.23	2,586,548,779.68
分配股利、利润或偿付利息支付的现金		520,878,905.25	456,948,945.53
其中：子公司支付给少数股东的股利、利润		4,571,565.00	
支付其他与筹资活动有关的现金		196,839,455.00	427,633,995.00
<b>筹资活动现金流出小计</b>		<b>3,402,028,371.48</b>	<b>3,471,131,720.21</b>
<b>筹资活动产生的现金流量净额</b>		<b>1,433,471,628.52</b>	<b>628,405,279.79</b>
<b>四、汇率变动对现金及现金等价物的影响</b>		<b>-1,193,946.39</b>	<b>-264,079.40</b>
<b>五、现金及现金等价物净增加额</b>		<b>-891,442,257.07</b>	<b>1,540,171,583.72</b>
加：期初现金及现金等价物余额		3,689,913,456.95	2,149,741,873.23
<b>六、期末现金及现金等价物余额</b>		<b>2,798,471,199.88</b>	<b>3,689,913,456.95</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 合并所有者权益变动表

2014年度

项 目	本 年 度										上 年 度									
	归属于母公司所有者权益					所有者权益合计					归属于母公司所有者权益						所有者权益合计			
	实收资本	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	一般风险准备	未分配利润	少数股东权益	所有者权益合计	实收资本	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	一般风险准备	未分配利润	少数股东权益	所有者权益合计
一、上年年末余额	2,028,913,102.00	769,004,227.59		219,993,911.88	3,882,477.26	18,806,460.60	1,074,747,453.88	1,459,284,051.78	5,674,631,684.99	2,028,913,102.00	769,004,227.59		237,718,527.75	1,914,510.13	10,884,704.99	874,228,089.80	1,342,620,848.53	5,265,204,009.79		
加：会计政策变更																				
前期差错更正																				
同一控制下企业合并																				
其他																				
二、本年年初余额	2,028,913,102.00	769,004,227.59		219,993,911.88	3,882,477.26	18,806,460.60	1,074,747,453.88	1,459,284,051.78	5,674,631,684.99	2,028,913,102.00	769,004,227.59		237,718,527.75	1,914,510.13	10,884,704.99	874,228,089.80	1,342,620,848.53	5,265,204,009.79		
三、本期增减变动金额（减少以“-”号填列）	460,196,079.00	492,412,816.31		254,472,227.55	1,921,560.61	3,645,930.83	156,603,749.91	110,103,480.33	1,509,335,664.54	460,196,079.00	492,412,816.31		-17,724,615.87	1,877,967.13	8,001,755.61	184,774,695.60	116,663,203.25	293,683,057.24		
（一）综合收益总额																				
（二）所有者投入和减少资本	460,196,079.00	508,803,921.00																		
1、所有者投入的普通股	460,196,079.00	508,803,921.00																		
2、其他权益工具持有者投入资本																				
3、股份支付计入所有者权益的金额																				
4、其他																				
（三）利润分配																				
1、提取盈余公积																				
2、提取一般风险准备																				
3、对所有者权益的分配																				
4、其他																				
（四）所有者权益内部结转																				
1、资本公积转增资本（或股本）																				
2、盈余公积转增资本（或股本）																				
3、盈余公积弥补亏损																				
4、其他																				
（五）专项储备																				
1、本期提取																				
2、本期使用																				
（六）其他																				
四、本期期末余额	2,519,109,181.00	1,261,416,843.90	-17,391,304.89	474,468,139.43	5,804,037.87	22,452,391.43	1,231,351,203.79	1,569,387,532.11	7,083,987,346.53	2,028,913,102.00	769,004,227.59		219,993,911.88	3,882,477.26	18,806,460.60	1,074,747,453.88	1,459,284,051.78	5,574,631,684.99		

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 母公司资产负债表

2014年12月31日

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	年末数	年初数
<b>流动资产：</b>			
货币资金		1,122,707,830.70	697,151,847.21
以公允价值计量且其变动计入当期损益的金融资产			
衍生金融资产			
应收票据			
应收账款	10.1	16,288,356.35	9,307,935.93
预付款项		12,287,715.82	15,278,405.59
应收利息			
应收股利			
其他应收款	10.2	1,855,086,082.43	1,356,386,504.97
存货			
划分为持有待售的资产			
一年内到期的非流动资产		14,467,747.51	
其他流动资产			
<b>流动资产合计</b>		<b>3,020,837,732.81</b>	<b>2,078,124,693.70</b>
<b>非流动资产：</b>			
可供出售金融资产		5,321,962,612.57	3,271,720,340.85
持有至到期投资		1,004,690,774.79	1,003,811,814.64
长期应收款			
长期股权投资	10.3	746,550,539.40	572,113,541.01
投资性房地产		285,998,097.51	229,752,395.00
固定资产		749,867,560.74	690,957,742.51
在建工程		338,487,470.85	97,660,913.49
工程物资			
固定资产清理			
生产性生物资产			
油气资产			
无形资产		179,635,971.67	181,619,740.12
开发支出			
商誉			
长期待摊费用		28,758,462.65	20,347,863.25
递延所得税资产		566,622.37	528,035.07
其他非流动资产		54,150,651.05	57,393,514.57
<b>非流动资产合计</b>		<b>8,710,668,763.60</b>	<b>6,125,905,900.51</b>
<b>资产总计</b>		<b>11,731,506,496.41</b>	<b>8,204,030,594.21</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：

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## 母公司资产负债表(续)

2014年12月31日

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	年末数	年初数
<b>流动负债：</b>			
短期借款		1,510,000,000.00	1,013,312,000.00
以公允价值计量且其变动计入当期损益的金融负债			
衍生金融负债			
应付票据		570,000,000.00	90,000,000.00
应付账款		106,794,037.56	107,056,949.25
预收款项			
应付职工薪酬		22,405,889.83	18,153,549.21
应交税费		3,785,240.72	9,831,706.02
应付利息		94,654,182.99	89,025,271.97
应付股利			
其他应付款		616,214,330.10	349,360,067.56
划分为持有待售的负债			
一年内到期的非流动负债		337,496,105.86	1,091,796,029.40
其他流动负债			
<b>流动负债合计</b>		<b>3,261,349,787.06</b>	<b>2,768,535,573.41</b>
<b>非流动负债：</b>			
长期借款		871,000,000.00	370,000,000.00
应付债券		2,600,000,000.00	1,600,000,000.00
其中：优先股			
永续债			
长期应付款		376,724,365.97	297,222,694.61
长期应付职工薪酬			
专项应付款			
预计负债			
递延收益		163,587,864.74	74,490,000.00
递延所得税负债		176,076,590.68	93,945,974.05
其他非流动负债			
<b>非流动负债合计</b>		<b>4,187,388,821.39</b>	<b>2,435,658,668.66</b>
<b>负债合计</b>		<b>7,448,738,608.45</b>	<b>5,204,194,242.07</b>
<b>所有者权益：</b>			
实收资本		2,519,109,181.00	2,028,913,102.00
其他权益工具			
其中：优先股			
永续债			
资本公积		1,072,923,983.87	563,120,062.87
减：库存股			
其他综合收益		474,466,139.43	219,993,911.88
专项储备			
盈余公积		22,452,391.43	18,806,460.60
一般风险准备			
未分配利润		193,816,192.23	169,002,814.79
<b>所有者权益合计</b>		<b>4,282,767,887.96</b>	<b>2,999,836,352.14</b>
<b>负债和所有者权益总计</b>		<b>11,731,506,496.41</b>	<b>8,204,030,594.21</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 母公司利润表

2014年度

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	本年数	上年数
<b>一、营业收入</b>	10.4	236,648,923.82	193,256,028.09
减：营业成本	10.4	147,197,318.82	116,592,513.12
营业税金及附加		5,882,755.99	15,604,753.95
销售费用			
管理费用		40,595,946.38	50,519,428.40
财务费用		189,777,798.05	275,214,908.12
资产减值损失		154,349.17	301,485.95
加：公允价值变动收益（损失以“-”号填列）		56,245,702.51	10,187,414.00
投资收益（损失以“-”号填列）	10.5	123,383,654.77	337,707,000.10
其中：对联营企业和合营企业的投资收益			
<b>二、营业利润（亏损以“-”号填列）</b>		<b>32,670,112.69</b>	<b>82,917,352.65</b>
加：营业外收入		22,579,770.03	2,824,919.22
其中：非流动资产处置利得		55,552.00	6,602.25
减：营业外支出		4,767,736.12	2,990,850.20
其中：非流动资产处置损失		2,745,472.11	1,614,363.17
<b>三、利润总额（亏损总额以“-”号填列）</b>		<b>50,482,146.60</b>	<b>82,751,421.67</b>
减：所得税费用		14,022,838.33	2,733,865.61
<b>四、净利润（净亏损以“-”号填列）</b>		<b>36,459,308.27</b>	<b>80,017,556.06</b>
<b>五、其他综合收益的税后净额</b>		<b>254,472,227.55</b>	<b>-17,724,615.87</b>
(一)以后不能重分类进损益的其他综合收益			
1、重新计量设定受益计划净负债或净资产的变动			
2、权益法下在被投资单位不能重分类进损益的其他综合收益中享有的份额			
(二)以后将重分类进损益的其他综合收益		<b>254,472,227.55</b>	<b>-17,724,615.87</b>
1、权益法下在被投资单位以后将重分类进损益的其他综合收益中享有的份额		<b>50,264,654.55</b>	<b>-1,186,678.62</b>
2、可供出售金融资产公允价值变动损益		<b>204,207,573.00</b>	<b>-16,537,937.25</b>
3、持有至到期投资重分类为可供出售金融资产损益			
4、现金流量套期损益的有效部分			
5、外币财务报表折算差额			
6、其他			
<b>六、综合收益总额</b>		<b>290,931,535.82</b>	<b>62,292,940.19</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：

# 母公司现金流量表

2014年度

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	注释	本年数	上年数
<b>一、经营活动产生的现金流量：</b>			
销售商品、提供劳务收到的现金		245,419,528.48	193,998,150.52
收到的税费返还		23,421.96	98,116.93
收到其他与经营活动有关的现金		352,910,126.55	250,354,157.03
<b>经营活动现金流入小计</b>		<b>598,353,076.99</b>	<b>444,450,424.48</b>
购买商品、接受劳务支付的现金		40,513,082.89	38,772,461.01
支付给职工以及为职工支付的现金		86,803,882.13	73,592,119.09
支付的各项税费		23,176,881.58	7,414,669.06
支付其他与经营活动有关的现金		160,058,668.25	114,660,743.45
<b>经营活动现金流出小计</b>		<b>310,552,514.85</b>	<b>234,439,992.61</b>
<b>经营活动产生的现金流量净额</b>		<b>287,800,562.14</b>	<b>210,010,431.87</b>
<b>二、投资活动产生的现金流量：</b>			
收回投资收到的现金			511,842.47
取得投资收益收到的现金		110,468,783.42	337,926,036.60
处置固定资产、无形资产和其他长期资产收回的现金净额			235,000.00
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金			
<b>投资活动现金流入小计</b>		<b>110,468,783.42</b>	<b>338,672,879.07</b>
购建固定资产、无形资产和其他长期资产支付的现金		256,844,925.97	87,100,807.79
投资支付的现金		1,858,478,000.00	
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金			
<b>投资活动现金流出小计</b>		<b>2,115,322,925.97</b>	<b>87,100,807.79</b>
<b>投资活动产生的现金流量净额</b>		<b>-2,004,854,142.55</b>	<b>251,572,071.28</b>
<b>三、筹资活动产生的现金流量：</b>			
吸收投资收到的现金		1,000,000,000.00	
取得借款收到的现金		2,356,000,000.00	1,563,312,000.00
发行债券收到的现金		986,500,000.00	
收到其他与筹资活动有关的现金		200,000,000.00	405,000,000.00
<b>筹资活动现金流入小计</b>		<b>4,542,500,000.00</b>	<b>1,968,312,000.00</b>
偿还债务支付的现金		2,193,312,000.00	2,002,401,800.00
分配股利、利润或偿付利息支付的现金		297,290,072.10	274,630,413.64
支付其他与筹资活动有关的现金		109,288,364.00	414,488,501.00
<b>筹资活动现金流出小计</b>		<b>2,599,890,436.10</b>	<b>2,691,520,714.64</b>
<b>筹资活动产生的现金流量净额</b>		<b>1,942,609,563.90</b>	<b>-723,208,714.64</b>
<b>四、汇率变动对现金及现金等价物的影响</b>			
<b>五、现金及现金等价物净增加额</b>		<b>225,555,983.49</b>	<b>-261,626,211.49</b>
加：期初现金及现金等价物余额		632,151,847.21	893,778,058.70
<b>六、期末现金及现金等价物余额</b>		<b>857,707,830.70</b>	<b>632,151,847.21</b>

法定代表人：

主管会计工作负责人：

会计机构负责人：



# 母公司所有者权益变动表

2014年度

编制单位：海口美兰国际机场有限责任公司

金额单位：人民币元

项 目	本 年 度										上 年 度									
	实收资本	其他权益工具		资本公积	盈余公积	其他综合收益	专项储备	盈余公积	未分配利润	所有者权益合计	实收资本	其他权益工具		资本公积	盈余公积	其他综合收益	专项储备	盈余公积	未分配利润	所有者权益合计
		优先股	永续债									其他	优先股							
一、上年年末余额	2,028,913,102.00			563,120,062.87		219,893,911.88		18,806,460.60	169,002,814.79	2,999,836,352.14	2,028,913,102.00			563,120,062.87		237,718,627.75		10,804,704.99	89,242,344.36	2,999,798,742.47
加：会计政策变更																				
前期差错更正																				
其他																				
二、本年年末余额	2,028,913,102.00			563,120,062.87		219,893,911.88		18,806,460.60	169,002,814.79	2,999,836,352.14	2,028,913,102.00			563,120,062.87		237,718,627.75		10,804,704.99	104,987,014.34	2,946,543,411.95
三、本年期初余额(减少以“-”号填列)	490,196,079.00			509,803,921.00		254,472,227.55		3,645,930.83	24,813,377.44	1,282,331,555.82										
(一) 综合收益总额						254,472,227.55			36,459,308.27	290,331,535.82										
(二) 所有者投入的减少资本	490,196,079.00			509,803,921.00						1,000,000,000.00										
1、所有者投入的普通股	490,196,079.00			509,803,921.00						1,000,000,000.00										
2、其他权益工具持有者投入资本																				
3、股份支付计入所有者权益的金额																				
4、其他																				
(三) 利润分配																				
1、提取盈余公积								3,645,930.83	-11,645,930.83	-8,000,000.00										
2、提取一般风险准备								3,645,930.83	-3,645,930.83											
3、对所有者的分配									-8,000,000.00	-8,000,000.00										
4、其他																				
(四) 所有者权益内部结转																				
1、资本公积转增资本(或股本)																				
2、盈余公积转增资本(或股本)																				
3、盈余公积弥补亏损																				
4、其他																				
(五) 专项储备																				
1、本期提取																				
2、本期使用																				
(六) 其他																				
四、本年期初余额	2,519,109,181.00			1,072,929,983.37		474,465,139.43		22,452,391.43	193,815,182.23	4,282,767,887.96	2,028,913,102.00			563,120,062.87		219,893,911.88		18,806,460.60	169,002,814.79	2,999,836,352.14

法定代表人：王肇会 会计工作负责人：王肇会

会计机构负责人：王肇会

# 海口美兰国际机场有限责任公司

## 2014 年度财务报表附注

### 附注 1 公司基本情况

海口美兰国际机场有限责任公司（以下简称本公司）原名“海口美兰机场有限责任公司”，2004 年 3 月 4 日经工商行政管理部门核准，更为现名。本公司原由中国民用航空中南管理局、海南航空股份有限公司、海南省国际信托投资公司、中国航空油料总公司四家股东共同出资组建，于 1998 年 8 月 25 日经海南省工商行政管理局注册成立的有限责任公司，注册资本为人民币 65,200 万元。2000 年 8 月和 2002 年 8 月本公司修改公司章程，变更股东和增加注册资本，并经海南省工商行政管理局核准变更；2004 年 12 月修改章程，变更股东和增加注册资本，变更后注册资本为人民币 148,683 万元；2007 年 3 月本公司修改章程、增加股东和增加注册资本，变更后注册资本为人民币 197,978 万元；2008 年 8 月修改章程、并增加注册资本，变更后注册资本为人民币 202,891.31 万元；2011 年 11 月修改章程，变更公司股东；2014 年 7 月，公司换领新的注册号为 460000000101216 的《企业法人营业执照》；2014 年 8 月，本公司再次修改章程、增加股东和增加注册资本，变更后注册资本 251,910.92 万元，截止报告日，工商变更登记正在办理。

本次修改章程后股东变更为海航机场集团有限公司、海南省发展控股有限公司、海南航空股份有限公司、中国南方航空股份有限公司、中国航空油料有限责任公司、洋浦联海工贸有限公司、甘肃省公路航空旅游投资集团有限公司、海南航辉农业开发有限公司。公司法定代表人：梁军，经营范围：海口美兰机场运行业务和规划发展管理；航空运输服务；航空销售代理、航空地面运输服务代理；房地产投资；机场场地、设备的租赁；仓储服务（危险品除外）；日用百货、五金工具、交电商业、服装、工艺品的销售（仅限分支机构经营），水电销售。住所：海口市美兰区美兰国际机场。

### 附注 2 公司主要会计政策、会计估计和前期差错

#### 2.1 财务报表的编制基础

本公司以持续经营为前提，根据实际发生的交易和事项，按照企业会计准则的规定进行确认和计量，并在此基础上编制财务报表。

## 2.2 遵循企业会计准则的声明

本公司编制的财务报表符合企业会计准则的要求，真实、完整地反映了企业的财务状况、经营成果和现金流量等有关信息。

## 2.3 会计期间

本公司会计期间分为年度和中期。中期包括半年度、季度和月度。年度、半年度、季度、月度起止日期按公历日期确定。公司会计年度为每年 1 月 1 日起至 12 月 31 日止。

## 2.4 记账本位币

本公司以人民币为记账本位币。（若记账本位币为人民币以外的其他货币的，说明选定记账本位币的考虑因素及折算成人民币时的折算方法）

## 2.5 同一控制下和非同一控制下企业合并的会计处理方法

### 2.5.1 同一控制下的企业合并

参与合并的企业在合并前后均受同一方或相同的多方最终控制且该控制并非暂时性的，为同一控制下的企业合并。通常情况下，同一控制下的企业合并是指发生在同一企业集团内部企业之间的合并，除此之外，一般不作为同一控制下的企业合并。

本公司作为合并方在企业合并中取得的资产、负债，按照合并日在被合并方的账面价值计量。同一控制下的控股合并形成的长期股权投资，本公司以合并日应享有被合并方账面所有者权益的份额作为形成长期股权投资的成本，相关会计处理见长期股权投资；同一控制下的吸收合并取得的资产、负债，本公司按照相关资产、负债在被合并方的原账面价值入账。本公司取得的净资产账面价值与支付的合并对价账面价值（或发行股份面值总额）的差额，调整资本公积；资本公积不足冲减的，调整留存收益。

本公司作为合并方为进行企业合并发生的各项直接相关费用，包括支付的审计费用、评估费用、法律服务费等，于发生时计入当期损益。

为企业合并发行的债券或承担其他债务支付的手续费、佣金等，计入所发行债券及其他债务的初始计量金额。企业合并中发行权益性证券发生的手续费、佣金等费用，抵减权益性证券溢价收入，溢价收入不足冲减的，冲减留存收益。

同一控制下的控股合并形成母子关系的，母公司在合并日编制合并财务报表，包括合并资产负债表、合并利润表和合并现金流量表。

合并资产负债表，以被合并方有关资产、负债的账面价值并入合并财务报表，合并方与被合并方在合并日及以前期间发生的交易，作为内部交易，按照“合并财务报表”有关原则进行抵销；合并利润表和现金流量表，包含合并方及被合并方自合并当期期初至合并日实现的净利润和产生的现金流量，涉及双方在当期发生的交易及内部交易产生的净利润及现金流量，按照合并财务报表的有关原则进行抵销。

### 2.5.2 非同一控制下的企业合并

参与合并的各方在合并前不受同一方或相同的多方最终控制的，为非同一控制下的企业合并。

确定企业合并成本：企业合并成本包括购买方为进行企业合并支付的现金或非现金资产、发行或承担的债务、发行的权益性证券等在购买日的公允价值。企业合并中发生的各项直接相关费用计入当期损益。

通过多次交换交易分步实现的企业合并，区分个别财务报表和合并财务报表进行相关会计处理：

在个别财务报表中，以购买日之前所持被购买方的股权投资的账面价值与购买日新增投资成本之和，作为该项投资的合并成本；

在合并财务报表中，对于购买日之前持有的被购买方的股权，按照该股权在购买日的公允价值进行重新计量，公允价值与其账面价值的差额计入当期投资收益；购买日之前持有的被购买方的股权涉及其他综合收益的，与其相关的其他综合收益转为购买日所属当期投资收益。购买日之前所持被购买方的股权在购买日的公允价值与购买日新增投资成本之和，作为该项投资的合并成本。

非同一控制下的控股合并取得的长期股权投资，本公司以购买日确定的企业合并成本（不包括应自被投资单位收取的现金股利和利润），作为对被购买方长期股权投资的成本；非同一控制下的吸收合并取得的符合确认条件的各项可辨认资产、负债，本公司在购买日按照公允价值确认为本企业的资产和负债。本公司以非货币资产为对价取得被购买方的控制权或各项可辨认资产、负债的，有关非货币资产在购买日的公允价值与其账面价值的差额，作

为资产的处置损益，计入合并当期的利润表。

非同一控制下的企业合并中，企业合并成本大于合并中取得的被购买方可辨认净资产公允价值份额的差额，确认为商誉；在吸收合并情况下，该差额在母公司个别财务报表中确认为商誉；在控股合并情况下，该差额在合并财务报表中列示为商誉。企业合并成本小于合并中取得的被购买方可辨认净资产公允价值份额的差额，本公司计入合并当期损益（营业外收入）。在吸收合并情况下，该差额计入合并当期母公司个别利润表；在控股合并情况下，该差额计入合并当期的合并利润表。

## 2.6 合并财务报表的编制方法

按照《企业会计准则第 33 号——合并财务报表》的有关要求执行，即以合并期间本公司及纳入合并范围的各控股子公司的个别财务报表为基础，根据其他有关资料，按照权益法调整对子公司的长期股权投资后，由母公司进行编制。合并时将母、子公司之间的投资、重大交易和往来及未实现利润相抵销，逐项合并，并计算少数所有者权益（损益）。

合并时，如纳入合并范围的子公司与本公司会计政策不一致，按本公司执行的会计政策对其进行调整后合并。

子公司的股东权益中不属于母公司所拥有的部分作为少数股东权益在合并财务报表中股东权益项下单独列示。

本公司通过同一控制下的企业合并增加的子公司，自合并当期期初纳入本公司合并财务报表，并调整合并财务报表的年初数或上年数；通过非同一控制下企业合并增加的子公司，自购买日起纳入本公司合并财务报表。本公司报告期转让控制权的子公司，自丧失实际控制权之日起不再纳入合并范围。

## 2.7 会计计量属性

### 2.7.1 计量属性

本公司以权责发生制为记账基础，初始价值以历史成本为计量原则。以公允价值计量且其变动计入当期损益的金融资产和金融负债、可供出售金融资产和衍生金融工具等以公允价值计量；采购时超过正常信用条件延期支付的存货、固定资产等，以购买价款的现值计量；发生减值损失的存货以可变现净值计量，其他减值资产按可收回金额（公允价值与现值孰高）计量；盘盈资产等按重置成本计量。

### 2.7.2 计量属性在本期发生变化的报表项目

本报告期各财务报表项目会计计量属性未发生变化。

### 2.8 现金及现金等价物的确定标准

现金，是指企业库存现金以及可以随时用于支付的存款。现金等价物，是指企业持有的同时具备期限短（一般指从购入日起不超过 3 个月内到期）、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

### 2.9 外币业务

#### 2.9.1 发生外币交易时的折算方法

本公司发生的外币交易在初始确认时，按交易日的即期汇率（通常指中国人民银行公布的当日外汇牌价的中间价，下同）折算为人民币金额。

#### 2.9.2 在资产负债表日对外币货币性项目和外币非货币性项目的处理方法

外币货币性项目，采用资产负债表日即期汇率折算。因资产负债表日即期汇率与初始确认时或者前一资产负债表日即期汇率不同而产生的汇兑差额，除了按照《企业会计准则第 17 号——借款费用》的规定，与购建或生产符合资本化条件的资产相关的外币借款产生的汇兑差额予以资本化外，计入当期损益。以历史成本计量的外币非货币性项目，仍采用交易发生日的即期汇率折算，不改变其记账本位币金额。以公允价值计量的股票、基金等外币非货币性项目，采用公允价值确定日的即期汇率折算，折算后记账本位币金额与原记账本位币金额的差额，作为公允价值变动（含汇率变动）处理，计入当期损益。

#### 2.9.3 外币财务报表的折算方法

本公司按照以下规定，将以外币表示的财务报表折算为人民币金额表示的财务报表。

资产负债表中的资产和负债项目，采用资产负债表日的即期汇率折算；所有者权益类项目除“未分配利润”项目外，其他项目采用发生时的即期汇率折算。利润表中的收入和费用项目，采用交易发生日的即期汇率折算。按照上述方法折算产生的外币财务报表折算差额，在资产负债表中所有者权益项目下单独列示。以外币表示的现金流量表采用现金流量发生日的即期汇率折算。汇率变动对现金的影响额作为调节项目，在现金流量表中单独列报。

## 2.10 金融工具

### 2.10.1 金融工具的确认依据

金融工具是指形成一个企业的金融资产，并形成其他单位的金融负债或权益工具的合同。本公司于成为金融工具合同的一方时确认一项金融资产或金融负债。

金融资产满足下列条件之一的，终止确认：收取该金融资产现金流量的合同权利终止；该金融资产已转移，且符合《企业会计准则第 23 号——金融资产转移》规定的终止确认条件。

金融负债的现时义务全部或部分已经解除的，才终止确认该金融负债或其一部分。

### 2.10.2 金融资产和金融负债的分类

按照投资目的和经济实质将本公司拥有的金融资产划分为四类：①以公允价值计量且其变动计入当期损益的金融资产，包括交易性金融资产和指定为以公允价值计量且其变动计入当期损益的金融资产；②持有至到期投资；③贷款和应收款项；④可供出售金融资产。

按照经济实质将承担的金融负债划分为两类：①以公允价值计量且其变动计入当期损益的金融负债，包括交易性金融负债和指定为以公允价值计量且其变动计入当期损益的金融负债；②其他金融负债。

### 2.10.3 金融资产和金融负债的计量

本公司初始确认金融资产或金融负债，按照公允价值计量。对于以公允价值计量且其变动计入当期损益的金融资产或金融负债，相关交易费用直接计入当期损益；对于其他类别的金融资产或金融负债，相关交易费用计入初始确认金额。

本公司对金融资产和金融负债的后续计量主要方法：

(1) 以公允价值计量且其变动计入当期损益的金融资产和金融负债，按照公允价值进行后续计量，公允价值变动计入当期损益。

(2) 持有至到期投资和应收款项，采用实际利率法，按摊余成本计量。

(3) 可供出售金融资产按照公允价值进行后续计量，公允价值变动形成的利得或损失，除减值损失和外币货币性金融资产形成的汇兑损益外，直接计入所有者权益，在该金融资产终止确认时转出，计入当期损益。

(4) 在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，以及与该权益工具挂钩并须通过交付该权益工具结算的衍生金融资产，按照成本计量。

(5) 其他金融负债按摊余成本进行后续计量。但是下列情况除外：

① 与在活跃市场中没有报价，公允价值不能可靠计量的权益工具挂钩并须通过交付该权益工具结算的衍生金融负债，按照成本计量。

② 不属于指定为以公允价值计量且其变动计入当期损益的金融负债的财务担保合同，或没有指定为以公允价值计量且其变动计入当期损益并将以低于市场利率贷款的贷款承诺，在初始确认后按照下列两项金额之中的较高者进行后续计量：

A. 《企业会计准则第 13 号——或有事项》确定的金额。

B. 初始确认金额扣除按照《企业会计准则第 14 号——收入》的原则确定的累计摊销额后的余额。

#### **2.10.4 金融资产和金融负债的公允价值的确定方法**

(1) 存在活跃市场的金融资产或金融负债，以活跃市场中的报价确定公允价值。报价按照以下原则确定：

① 在活跃市场上，公司已持有的金融资产或拟承担的金融负债的报价，为市场中的现行出价；拟购入的金融资产或已承担的金融负债的报价，为市场中的现行要价。

② 金融资产和金融负债没有现行出价或要价，采用最近交易的市场报价或经调整的最近交易的市场报价，除非存在明确的证据表明该市场报价不是公允价值。

(2) 金融资产或金融负债不存在活跃市场的，公司采用估值技术确定其公允价值。

#### **2.10.5 金融资产减值准备计提方法**

(1) 持有至到期投资

以摊余成本计量的持有至到期投资发生减值时，将其账面价值减记至预计未来现金流量（不包括尚未发生的未来信用损失）现值（折现利率采用原实际利率），减记的金额确认为资产减值损失，计入当期损益。计提减值准备时，对单项金额（1000 万元）的持有至到期投资单独进行减值测试；对单项



金额不重大（100 万元）的持有至到期投资可以单独进行减值测试，或包括在具有类似信用风险特征的组合中，按照信用组合进行减值测试；单独测试未发生减值的持有至到期投资，需要按照包括在具有类似信用风险特征的组合中，按照信用组合再进行测试；已单项确认减值损失的持有至到期投资，不再包括在具有类似信用风险特征的组合中进行减值测试。

## （2）应收款项

应收款项减值测试方法及减值准备计提方法参见附注 2.11。

## （3）可供出售金融资产

可供出售金融资产的公允价值发生较大幅度下降，或在综合考虑各种相关因素后，预期这种下降趋势属于非暂时性的，则按其公允价值低于其账面价值的差额，确认减值损失，计提减值准备。在确认减值损失时，将原直接计入所有者权益的公允价值下降形成的累计损失一并转出，计入减值损失。

## （4）其他

在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，或与该权益工具挂钩并须通过交付该权益工具结算的衍生金融资产发生减值时，将该权益工具投资或衍生金融资产的账面价值，与按照类似金融资产当时市场收益率对未来现金流量折现确定的现值之间的差额，确认为减值损失，计入当期损益。

### 2.10.6 金融资产转移

金融资产转移，是指公司将金融资产让与或交付给该金融资产发行方以外的另一方（转入方）。

本公司已将金融资产所有权上几乎所有的风险和报酬转移给转入方的，终止确认该金融资产；保留了金融资产所有权上几乎所有的风险和报酬的，不终止确认该金融资产。

本公司既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬的，分别下列情况处理：放弃了对该金融资产控制的，终止确认该金融资产并确认产生的资产和负债；未放弃对该金融资产控制的，按照其继续涉入所转移金融资产的程度确认有关金融资产，并相应确认有关负债。

## 2.11 应收款项

### 2.11.1 坏账的确认标准

凡因债务人破产，依据法律清偿后确实无法收回的应收款项；债务人死亡，既无遗产可供清偿，又无义务承担人，确实无法收回的应收款项；债务人逾期三年未能履行偿债义务，经股东大会或董事会批准列作坏账的应收款项，以及其他发生减值的债权如果评估为不可收回，则对其终止确认。

### **2.11.2 坏账损失核算方法**

本公司于期末对应收款项进行减值测试，如有客观证据表明其发生了减值的，根据其未来现金流量现值低于其账面价值的差额，确认减值损失，计提坏账准备。

对应收票据和预付款项，本公司单独进行减值测试，有客观证据表明其发生减值的，根据未来现金流量现值低于其账面价值的差额，确认为资产损失，计提坏账准备。

## **2.12 存货**

### **2.12.1 存货的分类**

本公司存货主要包括原材料、包装物、低值易耗品、在产品及自制半成品、库存商品等。

### **2.12.2 发出存货的计价方法**

存货的发出按加权平均法。

### **2.12.3 存货可变现净值的确定依据及存货跌价准备的计提方法**

中期末及年末，本公司存货按照成本与可变现净值孰低计量。公司在对存货进行全面盘点的基础上，对于存货因已霉烂变质、市场价格持续下跌且在可预见的未来无回升的希望、全部或部分陈旧过时，产品更新换代等原因，使存货成本高于其可变现净值的，计提存货跌价准备，并计入当期损益。

本公司按照单个存货项目计提存货跌价准备。

可变现净值为在正常生产过程中，以存货的估计售价减去至完工估计将要发生的成本、估计的销售费用以及相关税金后的金额。

### **2.12.4 存货的盘存制度**

存货的盘存制度为永续盘存制。

### **2.12.5 低值易耗品和包装物的摊销方法**

低值易耗品于领用时按一次摊销法摊销；包装物于领用时按一次摊销法摊销。

## 2.13 长期股权投资

长期股权投资主要包括本公司持有的能够对被投资单位实施控制、共同控制或重大影响的权益性投资。

### 2.13.1 长期股权投资成本的确定

(1) 本公司合并形成的长期股权投资，按照附注 2.5 确定其初始投资成本。

(2) 除本公司合并形成的长期股权投资以外，其他方式取得的长期股权投资，按照下列规定确定其投资成本：

①以支付现金取得的长期股权投资，按照实际支付的购买价款作为投资成本。投资成本包括与取得长期股权投资直接相关的费用、税金及其他必要支出。

②以发行权益性证券取得的长期股权投资，按照发行权益性证券的公允价值作为投资成本。

③通过非货币性资产交换取得的长期股权投资，其投资成本按照《企业会计准则第 7 号——非货币性资产交换》确定。

④通过债务重组取得的长期股权投资，其投资成本按照《企业会计准则第 12 号——债务重组》确定。

### 2.13.2 长期股权投资的后续计量及投资收益确认方法

(1) 采用成本法核算的长期股权投资按照初始投资成本计价。追加或收回投资调整长期股权投资的成本。被投资单位宣告分派的现金股利或利润，除购买时已宣告发放股利作投资成本收回外，其余确认为当期投资收益。

(2) 本公司采用权益法核算的长期股权投资包括对联营企业和合营企业的长期股权投资。

本公司对联营企业的权益性投资，其中一部分通过风险投资机构、共同基金、信托公司或包括投连险基金在内的类似主体间接持有的，无论以上主体是否对这部分投资具有重大影响，本公司可以按照《企业会计准则第 22 号——金融工具确认和计量》的有关规定，对间接持有的该部分投资选择以公允价值计量且其变动计入损益，并对其余部分采用权益法核算。

长期股权投资的初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的初始投资成本；长期股权投资的

初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的，其差额计入当期损益，同时调整长期股权投资的成本。

本公司取得长期股权投资后，按照应享有或应分担的被投资单位实现的净损益和其他综合收益的份额，分别确认投资损益和其他综合收益，同时调整长期股权投资的账面价值。本公司按照被投资单位宣告分派的利润或现金股利计算应享有的部分，相应减少长期股权投资的账面价值；本公司对于被投资单位除净损益、其他综合收益和利润分配以外所有者权益的其他变动，调整长期股权投资的账面价值并计入所有者权益。

本公司在确认应享有被投资单位净损益的份额时，以取得投资时被投资单位可辨认净资产的公允价值为基础，对被投资单位的净利润进行调整后确认；与联营企业、合营企业之间发生的未实现内部交易损益按照应享有的比例计算归属于本公司的部分，予以抵销，在此基础上确认投资收益。本公司与被投资单位发生的未实现内部交易损失，按照《企业会计准则第 8 号——资产减值》等的有关规定属于资产减值损失的，全额确认。

被投资单位采用的会计政策及会计期间与本公司不一致的，按照本公司的会计政策及会计期间对被投资单位的财务报表进行调整，并据以确认投资收益和其他综合收益等。

本公司确认被投资单位发生的净亏损，以长期股权投资的账面价值以及其他实质上构成对被投资单位净投资的长期权益减记至零为限，本公司负有承担额外损失义务的除外。被投资单位以后实现净利润的，本公司在其收益分享额弥补未确认的亏损分担额后，恢复确认收益分享额。

(3) 本公司因追加投资等原因能够对被投资单位施加重大影响或实施共同控制但不构成控制的，按照《企业会计准则第 22 号——金融工具确认和计量》确定的原持有的股权投资的公允价值加上新增投资成本之和，作为改按权益法核算的初始投资成本。原持有的股权投资分类为可供出售金融资产的，其公允价值与账面价值之间的差额，以及原计入其他综合收益的累计公允价值变动转入改按权益法核算的当期损益。

本公司因追加投资等原因能够对非同一控制下的被投资单位实施控制的，在编制个别财务报表时，按照原持有的股权投资账面价值加上新增投资成本之和，作为改按成本法核算的初始投资成本。购买日之前持有的股权投

资因采用权益法核算而确认的其他综合收益，在处置该项投资时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理。购买日之前持有的股权投资按照《企业会计准则第 22 号——金融工具确认和计量》的有关规定进行会计处理的，原计入其他综合收益的累计公允价值变动在改按成本法核算时转入当期损益。在编制合并财务报表时，应当按照《企业会计准则第 33 号——合并财务报表》的有关规定进行会计处理。

(4) 本公司因处置部分股权投资等原因丧失了对被投资单位的共同控制或重大影响的，处置后的剩余股权改按《企业会计准则第 22 号——金融工具确认和计量》核算，其在丧失共同控制或重大影响之日的公允价值与账面价值之间的差额计入当期损益。原股权投资因采用权益法核算而确认的其他综合收益，在终止采用权益法核算时采用与被投资单位直接处置相关资产或负债相同的基础进行会计处理。

本公司因处置部分权益性投资等原因丧失了对被投资单位的控制的，在编制个别财务报表时，处置后的剩余股权能够对被投资单位实施共同控制或施加重大影响的，改按权益法核算，并对该剩余股权视同自取得时即采用权益法核算进行调整；处置后的剩余股权不能对被投资单位实施共同控制或施加重大影响的，改按《企业会计准则第 22 号——金融工具确认和计量》的有关规定进行会计处理，其在丧失控制之日的公允价值与账面价值间的差额计入当期损益。在编制合并财务报表时，按照《企业会计准则第 33 号——合并财务报表》的有关规定进行会计处理。

(5) 对联营企业或合营企业的权益性投资全部或部分分类为持有待售资产的，本公司按照《企业会计准则第 4 号——固定资产》的有关规定处理，对于未划分为持有待售资产的剩余权益性投资，采用权益法进行会计处理。已划分为持有待售的对联营企业或合营企业的权益性投资，不再符合持有待售资产分类条件的，应从被分类为持有待售资产之日起采用权益法进行追溯调整。分类为持有待售期间的财务报表也作相应调整。

(6) 处置长期股权投资时，其账面价值与实际取得价款之间的差额，计入当期损益。采用权益法核算的长期股权投资，在处置该项投资时，采用与被投资单位直接处置相关资产或负债相同的基础，按相应比例对原计入其他综合收益的部分进行会计处理。

(7) 本公司应关注长期股权投资的账面价值是否大于享有被投资单位所有者权益账面价值的份额等类似情况。出现类似情况时, 本公司将按照《企业会计准则第 8 号——资产减值》对长期股权投资进行减值测试, 可收回金额低于长期股权投资账面价值的, 计提减值准备。

### 2.13.3 确定对被投资单位具有共同控制、重大影响的依据

按照合同约定, 与被投资单位相关的重要财务和经营决策需要分享控制权的投资方一致同意的, 认定为共同控制。

对被投资单位的财务和经营政策有参与决策的权力, 但并不能够控制或者与其他方一起共同控制这些政策的制定的, 认定为重大影响。

## 2.14 投资性房地产

投资性房地产是指为赚取租金或资本增值, 或两者兼有而持有的房地产。本公司投资性房地产包括已出租的土地使用权、持有并准备增值后转让的土地使用权和已出租的建筑物。

### 2.14.1 投资性房地产的确认

投资性房地产同时满足下列条件, 才能确认:

- (1) 与投资性房地产有关的经济利益很可能流入企业。
- (2) 该投资性房地产的成本能够可靠计量。

### 2.14.2 投资性房地产初始计量

(1) 外购投资性房地产的成本, 包括购买价款、相关税费和可直接归属于该资产的其他支出。

(2) 自行建造投资性房地产的成本, 由建造该项资产达到预定可使用状态前所发生的必要支出构成。

(3) 以其他方式取得的投资性房地产的成本, 按照相关会计准则的规定确定。

(4) 与投资性房地产有关的后续支出, 满足投资性房地产确认条件的, 计入投资性房地产成本; 不满足确认条件的在发生时计入当期损益。

### 2.14.3 投资性房地产的后续计量

本公司在资产负债表日采用公允价值模式对投资性房地产进行后续计量, 会计政策选择的依据为:

- (1) 投资性房地产所在地有活跃的房地产交易市场。

(2) 本公司能够从房地产交易市场上取得同类或类似房地产的市场价格及其他相关信息，从而对投资性房地产的公允价值作出合理的估计。

本公司不对投资性房地产计提折旧或进行摊销，在资产负债表日以投资性房地产的公允价值为基础调整其账面价值，公允价值与原账面价值之间的差额计入当期损益。

#### **2.14.4 投资性房地产的转换**

本公司有确凿证据表明房地产用途发生改变，将投资性房地产转换为其他资产，或将其他资产转换为投资性房地产，将房地产转换前的账面价值作为转换后的入账价值。

#### **2.14.5 投资性房地产减值准备**

采用成本模式进行后续计量的投资性房地产，其减值准备的确认标准和计提方法同固定资产。

### **2.15 固定资产**

#### **2.15.1 固定资产的确认标准**

本公司固定资产指为生产商品、提供劳务、出租或经营管理而持有的、使用寿命超过一个会计年度的有形资产。在同时满足下列条件时才能确认固定资产：

- (1) 与该固定资产有关的经济利益很可能流入企业。
- (2) 该固定资产的成本能够可靠地计量。

#### **2.15.2 固定资产的初始计量**

固定资产按照成本进行初始计量。

(1) 外购固定资产的成本，包括购买价款、相关税费、使固定资产达到预定可使用状态前所发生的可归属于该项资产的运输费、装卸费、安装费和专业人员服务费等。

购买固定资产的价款超过正常信用条件延期支付，实质上具有融资性质的，固定资产的成本以购买价款的现值为基础确定。实际支付的价款与购买价款的现值之间的差额，除按照《企业会计准则第 17 号——借款费用》可予以资本化的以外，在信用期间内计入当期损益。

(2) 自行建造固定资产的成本，由建造该项资产达到预定可使用状态前所发生的必要支出构成。

(3) 投资者投入固定资产的成本，按照投资合同或协议约定的价值确定，

但合同或协议约定价值不公允的除外。

(4) 非货币性资产交换、债务重组、企业合并和融资租赁取得的固定资产的成本，分别按照《企业会计准则第 7 号——非货币性资产交换》、《企业会计准则第 12 号——债务重组》、《企业会计准则第 20 号——企业合并》、《企业会计准则第 21 号——租赁》的有关规定确定。

### 2.15.3 固定资产的分类

本公司固定资产分为房屋及建筑物、飞机跑道及停机坪、机器设备、动力设备、运输设备、控制设备、其他等。

### 2.15.4 固定资产折旧

(1) 折旧方法及使用寿命、预计净残值率和年折旧率的确定：

固定资产折旧采用年限平均法计提折旧。按固定资产的类别、使用寿命和预计净残值率确定的年折旧率如下：

固定资产类别	预计净残值率(%)	预计使用年限(年)	年折旧率(%)
房屋及建筑物	5	15; 40	6.33; 2.38
机器设备	5	8; 9; 11; 14	11.88; 10.56; 8.64; 6.79
动力设备	5	18	5.28
运输设备	5	10	9.5
控制设备	5	10	9.5
其他	5	6; 8	15.83; 11.88

已计提减值准备的固定资产折旧计提方法：已计提减值准备的固定资产，按该项固定资产的原价扣除预计净残值、已提折旧及减值准备后的金额和剩余使用寿命，计提折旧。

已达到预定可使用状态但尚未办理竣工决算的固定资产，按照估计价值确定其成本，并计提折旧；待办理竣工决算后，再按实际成本调整原来的暂估价值，但不需要调整原已计提的折旧额。

(2) 对固定资产的使用寿命、预计净残值和折旧方法的复核：本公司至少于每年年度终了时，对固定资产的使用寿命、预计净残值和折旧方法进行复核，如果发现固定资产使用寿命预计数与原先估计数有差异的，调整固定资产使用寿命；预计净残值的预计数与原先估计数有差异的，调整预计净残值；与固定资产有关的经济利益预期实现方式有重大改变的，改变固定资产折旧方法。固定资产使用寿命、预计净残值和折旧方法的改变作为会计估计变更处理。



### 2.15.5 固定资产后续支出的处理

固定资产后续支出指固定资产在使用过程中发生的主要包括修理支出、更新改造支出、修理费用、装修支出等。其会计处理方法为：固定资产的更新改造等后续支出，满足固定资产确认条件的，计入固定资产成本，如有被替换的部分，应扣除其账面价值；不满足固定资产确认条件的固定资产修理费用等，在发生时计入当期损益；固定资产装修费用，在满足固定资产确认条件时，在“固定资产”内单设明细科目核算，并在两次装修期间与固定资产尚可使用年限两者中较短的期间内，采用年限平均法单独计提折旧。

以经营租赁方式租入的固定资产发生的改良支出予以资本化，作为长期待摊费用，合理进行摊销。

### 2.16 在建工程

#### 2.16.1 在建工程计价

本公司的在建工程按工程项目分别核算，在建工程按实际成本计价。

#### 2.16.2 在建工程结转为固定资产的时点

在建工程达到预定可使用状态时，按工程实际成本转入固定资产。对已达到预定可使用状态但尚未办理竣工决算手续的固定资产，按估计价值记账，待确定实际价值后，再进行调整。

### 2.17 借款费用资本化

#### 2.17.1 借款费用资本化的确认原则

借款费用同时满足下列条件的，才能开始资本化：

- (1) 资产支出已经发生。
- (2) 借款费用已经发生。
- (3) 为使资产达到预定可使用或者可销售状态所必要的购建或者生产活动已经开始。

#### 2.17.2 借款费用资本化期间

资本化期间，是指从借款费用开始资本化时点到停止资本化时点的期间，借款费用暂停资本化的期间不包括在内。

符合资本化条件的资产在购建或者生产过程中发生非正常中断、且中断时间连续超过 3 个月的，暂停借款费用的资本化。在中断期间发生的借款费用确认为费用，计入当期损益，直至资产的购建或者生产活动重新开始。如

果中断是所购建或者生产的符合资本化条件的资产达到预定可使用或者可销售状态必要的程序，借款费用的资本化继续进行。

购建或者生产符合资本化条件的资产达到预定可使用或者可销售状态时，借款费用停止资本化。在符合资本化条件的资产达到预定可使用或者可销售状态之后所发生的借款费用，在发生时计入当期损益。

### **2.17.3 借款费用资本化金额的计算方法**

在资本化期间内，每一会计期间的利息（包括折价或溢价的摊销）资本化金额，按照下列规定确定：

（1）为购建或者生产符合资本化条件的资产而借入专门借款的，以专门借款当期实际发生的利息费用，减去将尚未动用的借款资金存入银行取得的利息收入或进行暂时性投资取得的投资收益后的金额确定。

（2）为购建或者生产符合资本化条件的资产而占用了一般借款的，本公司根据累计资产支出超过专门借款部分的资产支出加权平均数乘以所占用一般借款的资本化率，计算确定一般借款应予资本化的利息金额。资本化率根据一般借款加权平均利率计算确定。

借款存在折价或者溢价的，按照实际利率法确定每一会计期间应摊销的折价或者溢价金额，调整每期利息金额。在资本化期间内，每一会计期间的利息资本化金额，不超过当期相关借款实际发生的利息金额。

专门借款发生的辅助费用，在所购建或者生产的符合资本化条件的资产达到预定可使用或者可销售状态之前发生的，在发生时根据其发生额予以资本化，计入符合资本化条件的资产的成本；在所购建或者生产的符合资本化条件的资产达到预定可使用或者可销售状态之后发生的，在发生时根据其发生额确认为费用，计入当期损益。一般借款发生的辅助费用，在发生时根据其发生额确认为费用，计入当期损益。

## **2.18 无形资产**

### **2.18.1 无形资产的确认标准**

无形资产是指本公司拥有或者控制的没有实物形态的可辨认非货币性资产。在同时满足下列条件时才能确认无形资产：

- （1）符合无形资产的定义。
- （2）与该资产相关的预计未来经济利益很可能流入公司。

(3) 该资产的成本能够可靠计量。

### 2.18.2 无形资产的初始计量

无形资产按照成本进行初始计量。实际成本按以下原则确定：

(1) 外购无形资产的成本，包括购买价款、相关税费以及直接归属于使该项资产达到预定用途所发生的其他支出。购买无形资产的价款超过正常信用条件延期支付，实质上具有融资性质的，无形资产的成本以购买价款的现值为基础确定。实际支付的价款与购买价款的现值之间的差额，除按照《企业会计准则第 17 号——借款费用》可予以资本化的以外，在信用期间内计入当期损益。

(2) 投资者投入无形资产的成本，按照投资合同或协议约定的价值确定，但合同或协议约定价值不公允的除外。

(3) 自行开发的无形资产

本公司内部研究开发项目的支出，区分研究阶段支出与开发阶段支出。内部研究开发项目研究阶段的支出，于发生时计入当期损益。内部研究开发项目开发阶段的支出，同时满足下列条件的，确认为无形资产：

①完成该无形资产以使其能够使用或出售在技术上具有可行性。

②具有完成该无形资产并使用或出售的意图。

③无形资产产生经济利益的方式，包括能够证明运用该无形资产生产的产品存在市场或无形资产自身存在市场，无形资产将在内部使用的，证明其有用性。

④有足够的技术、财务资源和其他资源支持，以完成该无形资产的开发，并有能力使用或出售该无形资产。

⑤归属于该无形资产开发阶段的支出能够可靠地计量。

自行开发的无形资产，其成本包括自满足无形资产确认规定后至达到预定用途前所发生的支出总额。以前期间已经费用化的支出不再调整。

(4) 非货币性资产交换、债务重组、政府补助和企业合并取得的无形资产的成本，分别按照《企业会计准则第 7 号——非货币性资产交换》、《企业会计准则第 12 号——债务重组》、《企业会计准则第 16 号——政府补助》、《企业会计准则第 20 号——企业合并》的有关规定确定。

### 2.18.3 无形资产的后续计量

本公司于取得无形资产时分析判断其使用寿命。无形资产的使用寿命为

有限的，估计该使用寿命的年限或者构成使用寿命的产量等类似计量单位数量；无法预见无形资产为本公司带来经济利益期限的，视为使用寿命不确定的无形资产。

使用寿命有限的无形资产，其应摊销金额在使用寿命内系统合理摊销。本公司采用直线法摊销。

无形资产的应摊销金额为其成本扣除预计残值后的金额。已计提减值准备的无形资产，还应扣除已计提的无形资产减值准备累计金额。无形资产的摊销金额计入当期损益。

使用寿命不确定的无形资产不摊销，期末进行减值测试。

### **2.19 长期待摊费用**

长期待摊费用是指公司已经发生但应由本期和以后各期分担的分摊期限在一年以上（不含一年）的各项费用，包括以经营租赁方式租入的固定资产改良支出等。

长期待摊费用按实际支出入账，在项目受益期内平均摊销。

### **2.20 资产减值**

**2.20.1 除存货、投资性房地产及金融资产外，其他主要类别资产的资产减值准备确定方法**

对子公司、联营企业和合营企业的长期股权投资、固定资产、在建工程、生物资产、无形资产、商誉及其他资产等主要类别资产的资产减值准备确定方法：

(1) 公司在资产负债表日按照单项资产是否存在可能发生减值的迹象。存在减值迹象的，进行减值测试，估计资产的可收回金额。资产的可收回金额低于其账面价值的，将资产的账面价值减记至可收回金额，减记的金额确认为资产减值损失，计入当期损益，同时计提相应的资产减值准备。资产减值损失确认后，减值资产的折旧或者摊销费用应当在未来期间作相应调整，以使该资产在剩余使用寿命内，系统地分摊调整后的资产账面价值（扣除预计净残值）。资产减值损失一经确认，在以后会计期间不得转回。

(2) 存在下列迹象的，表明资产可能发生了减值：

①资产的市价当期大幅度下跌，其跌幅明显高于因时间的推移或者正常使用而预计的下跌。

②公司经营所处的经济、技术或者法律等环境以及资产所处的市场在当期或者将在近期发生重大变化，从而对公司产生不利影响。

③市场利率或者其他市场投资报酬率在当期已经提高，从而影响公司计算资产预计未来现金流量现值的折现率，导致资产可收回金额大幅度降低。

④有证据表明资产已经陈旧过时或者其实体已经损坏。

⑤资产已经或者将被闲置、终止使用或者计划提前处置。

⑥公司内部报告的证据表明资产的经济绩效已经低于或者将低于预期，如资产所创造的净现金流量或者实现的营业利润（或者亏损）远远低于（或者高于）预计金额等。

⑦其他表明资产可能已经发生减值的迹象。

2.20.2 有迹象表明一项资产可能发生减值的，公司应当以单项资产为基础估计其可收回金额。公司难以对单项资产的可收回金额进行估计的，应当以该资产所属的资产组为基础确定资产组的可收回金额。

资产组的认定，以资产组产生的主要现金流入是否独立于其他资产或者资产组的现金流入为依据。同时，在认定资产组时，考虑公司管理层管理生产经营活动的方式（如是按照生产线、业务种类还是按照地区或者区域等）和对资产的持续使用或者处置的决策方式等。资产组一经确定，各个会计期间应当保持一致，不得随意变更。

2.20.3 因企业合并所形成的商誉和使用寿命不确定的无形资产以及未探明矿区权益，无论是否存在减值迹象，每年都应当进行减值测试。

2.20.4 资产减值损失确认后，减值资产的折旧或者摊销费用应当在未来期间作相应调整，以使该资产在剩余使用寿命内，系统地分摊调整后的资产账面价值（扣除预计净残值）。

## 2.21 职工薪酬

本公司职工薪酬主要包括短期职工薪酬、离职后福利、辞退福利。其中：

短期薪酬主要包括工资、奖金、津贴和补贴、职工福利费、医疗保险费、生育保险费、工伤保险费、住房公积金、工会经费和职工教育经费、非货币性福利等。本公司在职工为本公司提供服务的会计期间将实际发生的短期职工薪酬确认为负债，并计入当期损益或相关资产成本。其中非货币性福利按公允价值计量。

离职后福利主要包括设定提存计划。其中设定提存计划主要包括基本养老保险、失业保险以及年金等，相应的应缴存金额于发生时计入相关资产成本或当期损益。

在职工劳动合同到期之前解除与职工的劳动关系，或为鼓励职工自愿接受裁减而提出给予补偿的建议，在本公司不能单方面撤回因解除劳动关系计划或裁减建议所提供的辞退福利时，和本公司确认与涉及支付辞退福利的重组相关的成本两者孰早日，确认辞退福利产生的职工薪酬负债，并计入当期损益。但辞退福利预期在年度报告期结束后十二个月不能完全支付的，按照其他长期职工薪酬处理。

职工内部退休计划采用上述辞退福利相同的原则处理。本公司将自职工停止提供服务日至正常退休日的期间拟支付的内退人员工资和缴纳的社会保险费等，在符合预计负债确认条件时，计入当期损益（辞退福利）。

## 2.22 预计负债的计量方法

预计负债按照履行现时义务所需支出的最佳估计数进行初始计量。所需支出存在一个连续范围，且该范围内各种结果发生的可能性相同的最佳估计数按该范围的中间值确定；在其他情况下，最佳估计数按如下方法确定：

（1）或有事项涉及单个项目时，最佳估计数按最可能发生金额确定。

（2）或有事项涉及多个项目时，最佳估计数按各种可能发生额及其发生概率计算确定。

公司清偿预计负债所需支出全部或部分预期由第三方或其他方补偿的，则补偿金额在基本确定能收到时，作为资产单独确认。确认的补偿金额不超过所确认预计负债的账面价值。

## 2.23 股份支付及权益工具

股份支付是指本公司为获取职工和其他方提供服务而授予权益工具或者承担以权益工具为基础确定的负债的交易，包括以权益结算和以现金结算两种方式。

以权益结算的股份支付，是指本公司为获取服务以股份或其他权益工具作为对价进行结算的交易；以现金结算的股份支付，是指本公司为获取服务承担以股份或其他权益工具为基础计算确定的交付现金或其他资产义务的交易。

2.23.1 本公司为换取职工提供的服务而提供的以权益结算的股份支付，以

授予职工权益工具的公允价值计量。

(1) 授予后立即可行权的换取职工服务的以权益结算的股份支付，在授予日按照权益工具的公允价值计入相关成本或费用，相应增加资本公积；

(2) 完成可行权条件得到满足的期间（等待期）内的服务或达到规定业绩条件才可行权的换取职工服务的以权益结算的股份支付，在等待期内的每个资产负债表日，以对可行权权益工具数量的最佳估计为基础，按照权益工具授予日的公允价值，将当期取得的服务计入相关成本或费用和资本公积。

(3) 在资产负债表日，后续信息表明可行权权益工具的数量与以前估计不同的，应当进行调整，并在可行权日调整至实际可行权的权益工具数量。

(4) 本公司在可行权日之后不再对已确认的相关成本或费用和所有者权益总额进行调整。

**2.23.2** 本公司提供的以现金结算的股份支付，按照本公司承担的以股份或其他权益工具为基础计算确定的负债的公允价值计量。

(1) 授予后立即可行权的以现金结算的股份支付，在授予日以企业承担负债的公允价值计入相关成本或费用，相应增加负债；

(2) 完成等待期内的服务或达到规定业绩条件以后才可行权的以现金结算的股份支付，在等待期内的每个资产负债表日，以对可行权情况的最佳估计为基础，按照本公司承担负债的公允价值金额，将当期取得的服务计入成本或费用和相应的负债。

(3) 在资产负债表日，后续信息表明本公司当期承担债务的公允价值与以前估计不同的，应当进行调整，并在可行权日调整至实际可行权水平。

(4) 本公司在相关负债结算前的每个资产负债表日以及结算日，对负债的公允价值重新计量，其变动计入当期损益。

**2.23.3** 权益工具的公允价值按照以下方法确定：

(1) 存在活跃市场的，按照活跃市场中的报价确定；

(2) 不存在活跃市场的，采用合理的估值技术确定，包括参考熟悉情况并自愿交易的各方最近进行的市场交易中使用的价格、参照实质上相同的其他金融工具的当前公允价值、现金流量折现法和期权定价模型等。

**2.23.4** 根据最新取得可行权职工数变动等后续信息进行估计确定可行权权益工具最佳估计数。

## 2.24 收入确认

### 2.24.1 销售商品的收入确认

- (1) 企业已将商品所有权上的主要风险和报酬转移给购货方；
- (2) 企业既没有保留通常与所有权相联系的继续管理权，也没有对已售出的商品实施控制；
- (3) 收入的金额能够可靠的计量；
- (4) 与交易相关的经济利益很可能流入企业；
- (5) 相关的已发生或将发生的成本能够可靠地计量。

### 2.24.2 提供劳务的收入确认

- (1) 在同一会计年度内开始并完成的劳务，在完成劳务时确认收入。
- (2) 如劳务的开始和完成分属不同的会计年度，在提供劳务交易的结果能够可靠估计的情况下，在资产负债表日按完工百分比法确认相关劳务收入。在提供劳务交易的结果不能可靠估计的情况下，在资产负债表日按已经发生并预计能够补偿的劳务成本金额确认收入。

在同时满足下列条件的情况下，表明其结果能够可靠估计：

- ①与合同相关的经济利益很可能流入企业；
- ②实际发生的合同成本能够清楚地区分和可靠地计量；
- ③固定造价合同还必须同时满足合同总收入能够可靠计量及合同完工进度和为完成合同尚需发生的成本能够可靠地确定。

(3) 合同完工进度的确认方法：本公司按累计实际发生的合同成本占合同预计总成本的比例确定合同完工进度。

### 2.24.3 让渡资产使用权收入确认

在满足相关的经济利益很可能流入企业和收入的金额能够可靠地计量等两个条件时，本公司分别以下情况确认收入：

- (1) 利息收入按照他人使用本公司货币资金的时间和实际利率计算确定。
- (2) 使用费收入按照有关合同或协议约定的收费时间和方法计算确定。

## 2.25 政府补助

政府补助，是指本公司从政府无偿取得货币性资产或非货币性资产，但不包括政府作为所有者投入的资本。政府补助分为与资产相关的政府补助和与收益相关的政府补助。



与资产相关的政府补助，是指本公司取得的、用于购建或以其他方式形成长期资产的政府补助；与收益相关的政府补助，是指除与资产相关的政府补助之外的政府补助。

只有在能够满足政府补助所附条件以及能够收到时，本公司才确认政府补助。本公司收到的货币性政府补助，按照收到或应收的金额计量；收到的非货币性政府补助，按照公允价值计量；公允价值不能可靠取得的，按照名义金额计量。

本公司收到的与资产相关的政府补助，在收到时确认为递延收益，并在相关资产使用寿命内平均分配，计入当期损益。但是，按照名义金额计量的政府补助，直接计入当期损益。

本公司收到的与收益相关的政府补助，如果用于补偿本公司以后期间的相关费用或损失，则确认为递延收益，并在确认相关费用的期间，计入当期损益；如果用于补偿本公司已发生的相关费用或损失的，直接计入当期损益。

本公司已确认的政府补助需要返还的，如果存在相关递延收益，则冲减相关递延收益账面余额，超出部分计入当期损益；不存在相关递延收益时，直接将返还的金额计入当期损益。

## 2.26 所得税

所得税包括以本公司应纳税所得额为基础计算的各种境内和境外税额。在取得资产、承担负债时，本公司按照国家税法规定确定相关资产、负债的计税基础。如果资产的账面价值大于其计税基础或者负债的账面价值小于其计税基础，则将此差异作为应纳税暂时性差异；如果资产的账面价值小于其计税基础或者负债的账面价值大于其计税基础，则将此差异作为可抵扣暂时性差异。

2.26.1 除下列交易中产生的递延所得税负债以外，本公司确认所有应纳税暂时性差异产生的递延所得税负债：

- (1) 商誉的初始确认；
- (2) 同时具有下列特征的交易中产生的资产或负债的初始确认：
  - ① 该项交易不是企业合并；
  - ② 交易发生时既不影响会计利润也不影响应纳税所得额（或可抵扣亏损）。

除非本公司能够控制与子公司、联营企业及合营企业的投资相关的应纳

税暂时性差异转回的时间以及该暂时性差异在可预见的未来很可能不会转回，本公司将确认其产生的递延所得税负债。

2.26.2 本公司以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限，确认由可抵扣暂时性差异产生的递延所得税资产，但不确认同时具有下列特征的交易中因资产或负债的初始确认所产生的递延所得税资产：

(1) 该项交易不是企业合并；

(2) 交易发生时既不影响会计利润也不影响应纳税所得额(或可抵扣亏损)。

资产负债表日，有确凿证据表明未来期间很可能获得足够的应纳税所得额用来抵扣可抵扣暂时性差异的，本公司将确认以前期间未确认的递延所得税资产。若与子公司、联营企业及合营企业投资相关的可抵扣暂时性差异在可预见的未来很可能转回且未来很可能获得用来抵扣可抵扣暂时性差异的应纳税所得额，本公司将确认与此差异相应的递延所得税资产。

2.26.3 资产负债表日，本公司按照税法规定计算的预期应交纳（或返还）的所得税金额计量当期和以前期间形成的当期所得税负债（或资产）；按照预期收回该资产或清偿该负债期间的适用税率计量递延所得税资产和递延所得税负债。

如果适用税率发生变化，本公司对已确认的递延所得税资产和递延所得税负债将进行重新计量。除直接在所有者权益中确认的交易或者事项产生的递延所得税资产和递延所得税负债以外，本公司将税率变化产生的影响数计入变化当期的所得税费用。

在每个资产负债表日，本公司将对递延所得税资产的账面价值进行复核。如果未来期间很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产的利益，则减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额应当转回。

本公司将除企业合并及直接在所有者权益中确认的交易或者事项外的当期所得税和递延所得税作为计入利润表的所得税费用或收益。

## 2.27 租赁

租赁是指在约定的期间内，出租人将资产使用权让与承租人以获取租金的协议，包括经营性租赁与融资性租赁两种方式。

### 2.27.1 融资性租赁

(1) 符合下列一项或数项标准的，认定为融资租赁：

①在租赁期届满时，租赁资产的所有权转移给承租人；

②承租人有购买租赁资产的选择权，所订立的购买价款预计将远低于行使选择权时租赁资产的公允价值，因而在租赁开始日就可以合理确定承租人将会行使这种选择权；

③即使资产的所有权不转移，但租赁期占租赁资产使用寿命的大部分（75%（含）以上）；

④承租人在租赁开始日的最低租赁付款额现值，几乎相当于租赁开始日租赁资产公允价值（90%（含）以上）；出租人在租赁开始日的最低租赁收款额现值，几乎相当于租赁开始日租赁资产公允价值（90%（含）以上）；

⑤租赁资产性质特殊，如果不作较大改造，只有承租人才能使用。

不满足上述条件的，认定经营租赁。

(2) 融资租入的固定资产，按租赁开始日租赁资产的公允价值与最低租赁付款额的现值中较低者入账，按自有固定资产的折旧政策计提折旧。

### 2.27.2 经营性租赁

作为承租人支付的租金，公司在租赁期内各个期间按照直线法计入相关资产成本或当期损益。公司从事经营租赁业务发生的初始直接费用，直接计入当期损益。经营租赁协议涉及的或有租金在实际发生时计入当期损益。

## 2.28 持有待售资产

### 2.28.1 确认标准

同时满足下列条件的非流动资产应当划分为持有待售：

①公司已经就处置该非流动资产作出决议；

②已经与受让方签订了不可撤销的转让协议；

③该项转让将在一年内完成。

### 2.28.2 会计处理

公司对于持有待售的固定资产，调整该项固定资产的预计净残值，使该项固定资产的预计净残值能够反映其公允价值减去处置费用后的金额，但不得超过符合持有待售条件时该项固定资产的原账面价值，原账面价值高于调整后预计净残值的差额，作为资产减值损失计入当期损益。

某项资产或处置组被划归为持有待售，但后来不再满足持有待售的固定

资产的确认条件，公司停止将其划归为持有待售，并按照下列两项金额中较低者计量：

(1) 该资产或处置组被划归为持有待售之前的账面价值，按照其假定在没有被划归为持有待售的情况下原应确认的折旧、摊销或减值进行调整后的金额；

(2) 决定不再出售之日的再收回金额。

符合持有待售条件的无形资产等其他非流动资产，比照上述原则处理。

### **2.29 金融资产转移和非金融资产证券化业务的会计处理方法**

金融资产整体转移满足终止确认条件的，应当将因转移而收到的对价与原直接计入所有者权益的公允价值变动累计额之和、所转移金融资产的账面价值两项金额的差额计入当期损益。

金融资产部分转移满足终止确认条件的，应当将所转移金融资产整体的账面价值，在终止确认部分和未终止确认部分之间，按照各自的相对公允价值进行分摊，并将终止确认部分的对价与原直接计入所有者权益的公允价值变动累计额中对应终止确认部分的金额之和、终止确认部分的账面价值两项金额的差额计入当期损益。

金融资产不满足终止确认的条件，则继续确认所转移的金融资产整体，因资产转移而收到的对价，视同企业的融资借款，在收到时确认为一项金融负债。

公司既没有转移也没有保留金融资产所有权上几乎所有的风险和报酬，且未放弃对该金融资产控制的，应当根据其继续涉入所转移金融资产的程度确认有关金融资产和金融负债。对因继续涉入所转移金融资产形成的有关资产确认相关收入，对继续涉入形成的有关负债确认相关费用。

### **2.30 主要会计政策、会计估计的变更**

#### **2.30.1 会计政策变更**

2014 年，财政部分别以财会[2014]6 号、7 号、8 号、10 号、11 号、14 号、16 号发布了《企业会计准则第 39 号——公允价值计量》、《企业会计准则第 30 号——财务报表列报（2014 年修订）》、《企业会计准则第 9 号——职工薪酬（2014 年修订）》、《企业会计准则第 33 号——合并财务报表（2014 年修订）》、《企业会计准则第 40 号——合营安排》、《企业会计准则第 2 号——长期股权投资（2014

年修订)》及《企业会计准则第 41 号——在其他主体中权益的披露》，要求自 2014 年 7 月 1 日起在所有执行企业会计准则的企业范围内施行，鼓励在境外上市的企业提前执行。

经本公司董事会决议，本公司将自 2014 年 7 月 1 日起开始执行上述各项准则，并将依据上述各项准则的规定对相关会计政策进行变更。

上述会计政策的变更对本公司报告期财务报表项目的确认和计量产生影响如下：

本期公司按 2014 年新修订的会计准则要求，将原成本法核算的对被投资单位不具有控制、共同控制或重大影响的长期股权投资，重分类至可供出售金融资产，具体明细如下表：

被投资单位	投资成本	会计政策变更前	会计政策变更后
		长期股权投资	可供出售金融资产
海南机场餐饮服务有限公司	200,000.00	200,000.00	200,000.00
国都证券有限责任公司	280,000,000.00	280,000,000.00	280,000,000.00
民安财产保险有限公司	510,260,000.00	510,260,000.00	510,260,000.00
大新华航空有限公司	1,496,200,000.00	1,496,200,000.00	1,496,200,000.00
长江租赁有限公司	150,000,000.00	150,000,000.00	150,000,000.00
大新华物流控股(集团)有限公司	510,000,000.00	510,000,000.00	510,000,000.00
海航集团财务有限公司	359,537,448.57	359,537,448.57	359,537,448.57
海南航空股份有限公司	700,000,000.00	700,000,000.00	700,000,000.00
扬子江地产集团有限公司	210,000,000.00	210,000,000.00	210,000,000.00
扬子江投资控股有限公司	450,000,000.00	450,000,000.00	450,000,000.00
合计	4,666,197,448.57	4,666,197,448.57	4,666,197,448.57

按照新会计准则的要求，对上述项目进行追溯调整，将期初对应项目从长期股权投资重分类至可供出售金融资产，具体如下：

被投资单位	投资成本	会计政策变更前	会计政策变更后
		长期股权投资	可供出售金融资产
海南机场餐饮服务有限公司	200,000.00	200,000.00	200,000.00
国都证券有限责任公司	280,000,000.00	280,000,000.00	280,000,000.00
民安财产保险有限公司	510,260,000.00	510,260,000.00	510,260,000.00
长江租赁有限公司	150,000,000.00	150,000,000.00	150,000,000.00

大新华物流控股（集团）有限公司	510,000,000.00	510,000,000.00	510,000,000.00
海航集团财务有限公司	359,537,448.57	359,537,448.57	359,537,448.57
海南航空股份有限公司	700,000,000.00	700,000,000.00	700,000,000.00
渤海国际信托有限公司	243,219,252.07	378,234,492.28	378,234,492.28
合计	2,753,216,700.64	2,888,231,940.85	2,888,231,940.85

### 2.30.2 会计估计变更

公司 2014 年度无重大会计估计变更事项。

### 2.31 前期差错更正

#### 2.31.1 前期差错更正的原因

本期合并报表对前期的差错更正，主要产生于下列事项：

(1) 本公司对联讯证券股份有限公司的投资按权益法进行核算，2011 年受让联讯证券股份有限公司 6.06% 的股权，未对初始成本进行权益法调整，本期进行更正，使年初长期股权投资和未分配利润增加 15,744,669.48 元。

(2) 子公司海南美亚实业有限公司前期将应确认为存货的美舍河小区车库等相关资产计入固定资产，本期冲销相应土地使用权计提的累计摊销，使年初未分配利润增加 612,857.52 元；冲销相关资产累计折旧，使年初未分配利润增加 1,255,070.52 元；

(3) 子公司海南美亚实业有限公司冲回上年多提职工教育经费，使年初未分配利润增加 278,649.40 元；

(4) 子公司海南美亚实业有限公司调整跨期入账的运杂费、垃圾清理费，使年初未分配利润增加 51,957.00 元。

(5) 子公司海南美亚实业有限公司补提上年企业所得税，使年初未分配利润减少 176,301.19 元；

(6) 子公司海南美亚实业有限公司调整上年盈余公积，使年初未分配利润减少 29,186.82 元；

### 2.32.2 前期差错更正的影响

前期差错更正对合并会计报表项目的影及金额如下：

#### 2.32.2.1 合并资产负债表

调整项目	2013 年报数据	调整数据	2013 年调整后数据
预付款项	33,217,944.64	18,357.00	33,236,301.64
长期股权投资	1,323,541,156.97	15,744,669.48	1,339,285,826.45

固定资产	1,809,929,558.63	1,255,070.52	1,811,184,629.15
无形资产	346,513,545.15	612,857.52	347,126,402.67
应付账款	121,492,748.38	-33,600.00	121,459,148.38
应交税费	27,622,985.96	176,301.19	27,799,287.15
其他应付款	252,383,976.89	-278,649.40	252,105,327.49
未分配利润	1,058,006,261.19	16,741,192.69	1,074,747,453.88
少数股东权益	1,458,258,341.75	1,025,710.03	1,459,284,051.78

### 2.32.2.1 合并利润表

调整项目	2013 年报数据	调整数据	2013 年调整后数据
销售费用	41,743,479.36	-173,453.08	41,570,026.28
管理费用	106,752,461.73	-294,716.28	106,457,745.45

## 附注 3 税项

### 3.1 增值税

本公司按销售商品或提供劳务的增值额计缴增值税，主要商品的增值税税率为 6%、17%。

### 3.2 营业税

本公司按应税营业额的 3%、5%计缴营业税。

### 3.3 城市维护建设税

本公司按当期应纳流转税额的 7%计缴城市维护建设税。

### 3.4 教育费附加

本公司按当期应纳流转税额的 3%计缴教育费附加。

### 3.5 地方教育费附加

本公司按当期应纳流转税额的 2%计缴教育费附加。

### 3.6 企业所得税

#### 3.6.1 母公司税率情况

本公司的企业所得税率为 25%。

#### 3.6.2 子公司税率情况

子公司海航基础股份有限公司、海南美亚实业有限公司、海南海口美兰国际机场免税品有限公司、海南美兰国际机场货运有限责任公司的企业所得税率为 25%。

#### 3.6.3 税收优惠

根据 2008 年 2 月 2 日《海口市国家税务局关于海航基础股份有限公司享受

企业所得税优惠有关问题的复函》(海国税函[2008]13号),海航基础股份有限公司2004年至2008年免交企业所得税、2009年至2013年减半缴纳企业所得税。

附注4 企业合并及合并财务报表(本节所列数据除非特别注明,金额单位为人民币元)

#### 4.1 子公司情况

##### 4.1 合并范围发生变更的说明

##### 4.1.1 本期出售丧失控制权的股权而减少子公司

子公司	处置比例	处置方式	丧失控制权时点	处置价格	处置日子公司净资产
海口美兰国际机场广告有限公司	100%	注销	2014年12月12日	55,900.00	86,095.00

##### 4.2 通过设立或投资等方式取得的子公司

子公司全称	子公司类型	注册地	业务性质	注册资本	经营范围	期末实际出资额	实质上构成对子公司净投资的其他项目余额
海航基础股份有限公司	有限责任	海口	服务业	473,213,000.00	为航空运输企业提供过港和地面服务等		
海南美亚实业有限公司	有限责任	海口	服务业	87,500,000.00	为美兰机场提供加油服务等		
海南海口美兰国际机场免税品有限公司	有限责任	海口	零售业	1,000,000.00	烟、酒、艺术品销售等		
海南美兰国际机场货运有限责任公司	有限责任	海口	服务业	20,000,000.00	提供货运服务		

子公司全称	持股比例(%)	表决权比例(%)	是否合并报表	少数股东权益	少数股东权益中用于冲减少数股东损益的金额	从母公司所有者权益冲减子公司少数股东分担的本期亏损超过少数股东在该子公司期初所有者权益中所享有份额后的余额
海航基础股份有限公司	50.189	50.189	是			
海南美亚实业有限公司	50	50	是			
海南海口美兰国际机场免税品有限公司	100	100	是			
海南美兰国际机场货运有限责任公司	51	51	是			



#### 4.2.1 其他

由于本公司占有海南美亚实业有限公司 50%表决权，其董事长和财务总监由本公司委派，本公司拥有其财务和经营决策权，故将其纳入合并报表范围。

海南美亚实业有限公司采用的是《企业会计制度》，本公司在编制合并财务报表时已按《企业会计准则》进行转换。

### 附注 5 合并财务报表重要项目注释

#### 5.1 货币资金

项目	年末数	期初数
现金：		
人民币	393,216.87	734,568.52
港币	93.88	93.56
美元	13,406.73	13,358.31
欧元		
银行存款：		
人民币	2,136,824,215.75	2,162,348,290.17
港币	34,045.53	
美元	661,206,221.12	1,526,817,146.39
其他货币资金		
人民币	265,000,000.00	65,000,000.00
合 计	3,063,471,199.88	3,754,913,456.95

其他货币资金为公司为开具应付票据支付的保证金，期限为半年，对变现有限制。

截止报告期末，公司不存在其他抵押、冻结等对变现有限制或存放在境外、或有潜在回收风险的款项。

#### 5.2 应收账款

##### 5.2.1 账龄分析

账龄	期末数			年初数		
	金额	比例%	坏账准备	金额	比例%	坏账准备
1 年以内	271,988,596.80	94.69		243,253,109.36	93.37	
1 至 2 年	10,259,325.04	3.57	3,839,026.00	15,432,911.82	5.92	4,116,149.00
2 至 3 年	4,039,125.82	1.41		1,836,440.72	0.71	
3 年以上	944,207.58	0.33				
合计	287,231,255.24	100.00	3,839,026.00	260,522,461.90	100.00	4,116,149.00
净额	283,392,229.24			256,406,312.90		

##### 5.2.2 期末余额中持有公司 5%（含 5%）以上表决权股份的股东单位情况

单位名称	期末数		年初数	
	金额	计提坏账金额	金额	计提坏账金额
海南航空股份有限公司	61,377,353.22		447,072.00	

5.2.3 应收关联方账款情况见附注 6.6。

### 5.3 其他应收款

#### 5.3.1 账龄分析

账龄	期末数			年初数		
	金额	比例%	坏账准备	金额	比例%	坏账准备
1 年以内	1,538,915,150.18	80.81		945,515,603.74	69.26	
1 至 2 年	122,290,709.08	6.42	154,993.43	105,052,987.50	7.70	343.39
2 至 3 年	91,758,595.97	4.82	536.51	8,762,909.31	0.64	53,610.74
3 年以上	151,365,602.09	7.95	2,110,959.54	305,782,680.28	22.40	2,058,186.18
合计	1,904,330,057.32	100.00	2,266,489.48	1,365,114,180.83	100.00	2,112,140.31
净额	1,902,063,567.84			1,363,002,040.52		

5.3.2 期末余额中持有公司 5%（含 5%）以上表决权股份的股东单位情况

单位名称	期末数		年初数	
	金额	计提坏账金额	金额	计提坏账金额
海南航空股份有限公司	26,180,953.74		28,230,348.74	
海航机场集团有限公司	12,747,134.21		333,441,902.88	
合计	38,928,087.95		361,672,251.62	

5.3.3 应收关联方款项情况见附注 6.6。

### 5.4 预付款项

#### 5.4.1 按账龄列示

账龄	期末数		年初数	
	金额	比例(%)	金额	比例(%)
1 年以内	59,619,218.32	87.64	23,370,222.95	70.32
1 至 2 年	1,903,847.62	2.80	1,370,703.68	4.12
2 至 3 年	982,972.80	1.44	4,532,839.16	13.64
3 年以上	5,521,978.95	8.12	3,962,535.85	11.92
合计	68,028,017.69	100.00	33,236,301.64	100.00

5.4.2 期末余额中无持有公司 5%（含 5%）以上表决权股份的股东单位情况。

### 5.5 存货

#### 5.5.1 存货分类

项 目	期末数			年初数		
	账面余额	跌价准备	账面价值	账面余额	跌价准备	账面价值
原材料	24,257,404.17		24,257,404.17	24,085,470.09		24,085,470.09
库存商品	60,591,722.13	14,264,885.41	46,326,836.72	67,223,653.81		67,223,653.81
其他存货	4,033,779.87		4,033,779.87	451,544.03		451,544.03
合 计	88,882,906.17	14,264,885.41	74,618,020.76	91,760,667.93		91,760,667.93

5.5.2 截止报告期末，美亚实业存货可变现净值低于账面价况，计提存货跌价准备 14,264,885.41 元。

## 5.6 其他流动资产

项 目	期末数	年初数
待抵扣进项税额	2,894,088.49	5,360,360.21
预缴的企业所得税		30,196.00
预缴的其他税费	1,795.00	1,795.00
理财产品		
合 计	2,895,883.49	5,392,351.21

## 5.7 可供出售金融资产

可供出售金融资产情况

项 目	期末数	年初数
可供出售权益工具	5,321,962,612.57	3,271,720,340.85

## 5.8 持有至到期投资

(1) 持有至到期投资情况

项 目	期末账面价值	年初账面价值
委托贷款	1,000,000,000.00	1,000,000,000.00
持有至到期投资利息	4,690,774.79	3,811,814.64
合 计	1,004,690,774.79	1,003,811,814.64

## 5.9 长期股权投资

被投资单位	核算方法	投资成本	期初余额	增减变动	期末余额	在被投资单位持股比例(%)
扬子江保险经纪有限公司	权益法	24,500,000.00	33,551,461.47	-138,243.24	33,413,218.23	49.00
联讯证券股份有限公司	权益法	142,627,124.29	177,995,218.98	174,575,241.63	352,570,460.61	20.64
海口德诚实业发展有限公司	权益法	30,874,650.80	30,874,651.00	-353.00	30,874,298.00	30.00
海航机场控股(集团)有限公司	权益法	1,011,715,103.00	1,096,864,495.00	408,069.00	1,097,272,564.00	24.50
合 计		1,209,716,878.09	1,339,285,826.45	174,844,714.39	1,514,130,540.84	

截止报告期末，本公司长期股权投资不存在可收回金额低于账面价值的情况，故未计提长期股权投资减值准备。

### 5.10 对合营企业投资和联营企业投资

被投资单位名称	本企业持股比例(%)	本企业在被投资单位表决权比例(%)	期末资产总额	期末负债总额	期末净资产总额	本期营业收入总额	本期净利润
一、合营企业							
二、联营企业							
扬子江保险经纪有限公司	49	49	69,493,954.03	1,939,071.55	67,554,882.48	71,590,336.34	-282,129.07
联讯证券股份有限公司	20.64	20.64	10,685,499,514.66	8,977,309,298.55	1,708,190,216.11	559,221,706.45	81,027,067.01
海航机场控股(集团)有限公司	24.5	24.5	18,198,936,772.00	11,525,233,153.00	6,673,703,619.00	1,180,801,551.00	195,946,972.00
海口德诚实业发展有限公司	30	30	102,911,056.38		102,911,056.38		-1,174.42
合计			29,056,841,297.07	20,504,481,523.10	8,552,359,773.97	1,811,613,593.79	276,690,735.52

### 5.11 投资性房地产

#### (1) 按公允价值计量的投资性房地产

项目	期初公允价值	本期增加			本期减少		期末公允价值
		购置	自用房地产或存货转入	公允价值变动损益	处置	转为自用房地产	
1. 成本合计	40,293,633.97						40,293,633.97
(1) 房屋、建筑物	17,177,767.79						17,177,767.79
(2) 土地使用权	23,115,866.18						23,115,866.18
2. 公允价值变动合计	189,458,761.03			56,245,702.51			245,704,463.54
(1) 房屋、建筑物	28,389,132.21			-3,220,264.00			25,168,868.21
(2) 土地使用权	161,069,628.82			59,465,966.51			220,535,595.33
3. 投资性房地产账面价值合计	229,752,395.00						285,998,097.51
(1) 房屋、建筑物	45,566,900.00						42,346,636.00
(2) 土地使用权	184,185,495.00						243,651,461.51

公司 2012 年度将持有增值的土地从无形资产转入投资性房地产核算。公司以前年度对投资性房地产以成本模式计量，因房地产市场比较成熟、能够满足采用公允价值模式核算条件，所以公司变更会计政策，对投资性房地产采用公允价值模式计量。

## 5.12 固定资产

### 5.12.1 固定资产情况

项 目	年初账面余额	本期增加	本期减少	期末账面余额
一、账面原值合计:	<b>2,745,302,052.57</b>	<b>272,673,987.02</b>	<b>273,114,869.26</b>	<b>2,744,861,170.33</b>
其中: 房屋、建筑物	1,877,000,206.45	236,092,305.61	234,204,662.71	1,878,887,849.35
交通运输设备	122,461,206.51	18,301,352.97	2,704,822.00	138,057,737.48
机械设备	671,080,535.33	4,908,133.67	31,215,444.55	644,773,224.45
办公设备	5,005,470.78	2,377,584.77	243,028.00	7,140,027.55
其它设备	69,754,633.50	10,994,610.00	4,746,912.00	76,002,331.50
二、累计折旧合计:	<b>934,117,423.42</b>	<b>110,762,386.41</b>	<b>123,527,700.10</b>	<b>921,352,109.73</b>
其中: 房屋、建筑物	436,369,661.27	49,014,659.04	96,361,640.85	389,022,679.46
交通运输设备	56,750,579.87	9,413,751.21	2,597,796.20	63,566,534.88
机械设备	396,328,427.90	44,606,426.83	19,397,240.87	421,537,613.86
办公设备	3,742,049.54	836,587.29	1,051,172.18	3,527,464.65
其它设备	40,926,704.84	6,890,962.04	4,119,850.00	43,697,816.88
三、账面净值合计	1,811,184,629.15			1,823,509,060.60
其中: 房屋、建筑物	1,440,630,545.18			1,489,865,169.89
交通运输设备	65,710,626.64			74,491,202.60
机械设备	274,752,107.43			223,235,610.59
办公设备	1,263,421.24			3,612,562.90
其它设备	28,827,928.66			32,304,514.62
四、减值准备合计				
其中: 房屋、建筑物				
交通运输设备				
机械设备				
办公设备				
其它设备				
五、账面价值合计	1,811,184,629.15			1,823,509,060.60
其中: 房屋、建筑物	1,440,630,545.18			1,489,865,169.89
交通运输设备	65,710,626.64			74,491,202.60
机械设备	274,752,107.43			223,235,610.59
办公设备	1,263,421.24			3,612,562.90
其它设备	28,827,928.66			32,304,514.62

### 5.12.2 本期累计折旧增加情况

项目	本期新增	本期计提	合计
房屋、建筑物		49,014,659.04	49,014,659.04
交通运输设备		9,413,751.21	9,413,751.21
机械设备		44,606,426.83	44,606,426.83
办公设备		836,587.29	836,587.29
其它设备		6,890,962.04	6,890,962.04
累计折旧合计		110,762,386.41	110,762,386.41

### 5.12.3 融资租入的固定资产

项目	原值	累计折旧	净值
房屋、建筑物	521,019,629.43	15,012,171.27	506,007,458.16
交通运输设备	42,722,778.02	8,326,650.89	34,396,127.13
机械设备	156,890,410.55	23,987,067.46	132,903,343.09
其它设备	3,717,740.00	855,726.00	2,862,014.00

5.12.4 本期由在建工程转入固定资产原价 13,594,384.9 元。

5.12.5 截止报告期末，本公司固定资产不存在可收回金额低于账面价值的情况，故未计提固定资产减值准备。

### 5.13 在建工程

项目	期末数			年初数		
	账面余额	减值准备	账面净值	账面余额	减值准备	账面净值
二期扩建	84,648,102.32		84,648,102.32	75,729,859.99		75,729,859.99
西指廊输油管线	121,324,261.81		121,324,261.81	15,484,757.15		15,484,757.15
航站区站坪工程	105,446,512.91		105,446,512.91	191,764.12		191,764.12
西远机位停机坪工程	25,833,151.33		25,833,151.33			
安装设备（桥载设备替代 APU 项目设备）	8,616,802.55		8,616,802.55			
制冷站	3,276,085.28		3,276,085.28	3,247,476.80		3,247,476.80
站前综合体	98,979,369.00		98,979,369.00			
其他	16,351,818.07		16,351,818.07	15,227,235.70		15,227,235.70
合计	464,476,103.27		464,476,103.27	109,881,093.76		109,881,093.76

截止报告期末，本公司在建工程不存在可收回金额低于账面价值的情况，故未计提在建工程减值准备。

### 5.14 无形资产

#### 5.14.1 无形资产情况

项目	年初账面余额	本期增加	本期减少	期末账面余额
一、账面原值合计	463,018,583.17	1,317,584.90	3,900,000.00	460,436,168.07
土地使用权	462,619,903.17		3,900,000.00	458,719,903.17

软件	398,680.00	1,317,584.90		1,716,264.90
二、累计摊销合计	115,892,180.50	6,968,298.62		122,860,479.12
土地使用权	115,831,250.50	6,907,338.87		122,738,589.37
软件	60,930.00	60,959.75		121,889.75
三、账面净值合计	347,126,402.67			337,575,688.95
土地使用权	346,788,652.67			335,981,313.80
软件	337,750.00			1,594,375.15
四、减值准备合计				
土地使用权				
软件				
五、账面价值合计	347,126,402.67			337,575,688.95
土地使用权	346,788,652.67			335,981,313.80
软件	337,750.00			1,594,375.15

本公司以海口市国用（2010）第 008091 号、海口市国用（2009）第 003861 号海口市国有（2007）第 006491 号、海口市国用（2005）-001242、1243、1245、1246、1247、1248、1250、1251、1252、1253、1254、1255、1257、1258、1259、1260、1261 号土地使用权证项下的土地使用权为公司贷款提供担保。

5.14.2 本期摊销额 6,968,298.62 元。

5.14.3 截止报告期末，本公司无形资产没有出现可收回金额低于账面价值的情况，故未计提无形资产减值准备。

### 5.15 商誉

被投资单位名称或形成商誉的事项	期初余额	本期增加	本期减少	期末余额	期末减值准备
海南美亚实业有限公司	12,315,845.19			12,315,845.19	

截止报告期末，本公司商誉没有出现可收回金额低于账面价值的情况，故未计提商誉减值准备。

### 5.16 递延所得税资产/递延所得税负债

项 目	期末数	年初数
<b>递延所得税资产：</b>		
资产减值准备	1,526,379.37	1,376,821.07
管理酬金	4,679,925.00	4,517,239.00
辞退福利	824,334.00	1,150,899.00
预提航线开发补贴款	3,725,000.00	2,550,000.00
其他暂时性差异	2,967,500.00	
小 计	13,723,138.37	9,594,959.07

<b>递延所得税负债：</b>		
计入资本公积的可供出售金融资产公允价值变动	113,941,291.00	45,872,100.00
投资性房地产公允价值变动	62,135,299.68	48,073,874.05
小 计	176,076,590.68	93,945,974.05

### 5.17 资产减值准备明细

项 目	年初账面余额	本期增加	本期减少		期末账面余额
			转回	转销	
坏账准备	6,228,289.31	598,232.17		721,006.00	6,105,515.48
存货跌价准备		14,264,885.41			14,264,885.41
合 计	6,228,289.31	14,863,117.58		721,006.00	20,370,400.89

### 5.18 短期借款

项 目	期末数	年初数
抵质押借款	1,510,000,000.00	1,013,312,000.00
信用借款	71,000,000.00	150,000,000.00
合 计	1,581,000,000.00	1,163,312,000.00

### 5.19 应付票据

项 目	期末数	年初数
银行承兑汇票	490,000,000.00	90,000,000.00
商业承兑汇票	80,000,000.00	
合 计	570,000,000.00	90,000,000.00

### 5.20 应付账款

#### 5.20.1 账龄

项 目	期末数	年初数
一年以内	32,204,642.72	72,578,425.61
一年以上	104,338,314.66	48,880,722.77
合 计	136,542,957.38	121,459,148.38

期末余额中无应付持有公司 5%(含 5%)以上表决权股份的股东单位款项。

5.20.2 应付关联方款项情况见附注 6.6。 .

### 5.21 预收款项

#### 5.21.1 账龄

项 目	期末数	年初数
一年以内	58,009,365.14	11,439,040.22



5.21.2 期末余额中无预收持有公司 5%（含 5%）以上表决权股份的股东单位款项。

5.21.3 预收关联方款项情况见附注 6.6。

## 5.22 应付职工薪酬

### 5.22.1 应付职工薪酬按项目披露

项 目	期初数	本期增加	本期减少	期末数
一、短期薪酬	45,959,134.56	193,702,092.31	186,295,789.91	53,365,436.96
二、离职后福利	455,879.15	21,001,968.53	20,091,163.28	1,366,684.40
三、辞退福利	5,230,327.00		3,838,220.00	1,392,107.00
四、其他长期职工福利		2,273,043.00		2,273,043.00
合 计	51,645,340.71	216,977,103.84	210,225,173.19	58,397,271.36

### 5.22.2 短期薪酬

项 目	期初数	本期增加	本期减少	期末数
一、工资、奖金、津贴和补贴	38,055,918.32	163,415,474.08	158,416,701.81	43,054,690.59
二、职工福利费	638,778.00	5,188,296.36	5,188,296.36	638,778.00
三、社会保险费	138,346.74	8,336,000.33	8,073,512.54	400,834.53
四、住房公积金	1,152,956.64	12,035,584.00	11,197,293.00	1,991,247.64
五、工会经费和职工教育经费	5,957,883.34	4,359,627.74	3,039,090.20	7,278,420.88
六、短期带薪缺勤				
七、短期利润分享计划				
八、其他短期薪酬	15,251.52	367,109.80	380,896.00	1,465.32
合 计	45,959,134.56	193,702,092.31	186,295,789.91	53,365,436.96

### 5.22.3 离职后福利

项 目	期初数	本期增加	本期减少	期末数
一、养老保险费	380,728.87	19,798,816.11	19,033,588.67	1,145,956.31
二、失业保险费	75,150.28	1,203,152.42	1,057,574.61	220,728.09
合 计	455,879.15	21,001,968.53	20,091,163.28	1,366,684.40

### 5.22.4 辞退福利

本公司因职工内退提供的辞退福利为 1,392,107.00 元。

### 5.22.5 其他长期职工福利

本公司因职工内退提供的辞退福利中属于长期职工福利金额为 2,273,043.00 元。

应付职工薪酬中属于拖欠性质的金额 0.00 元。

工会经费和职工教育经费期末余额 7,278,420.88 元,非货币性福利金额 0.00 元。

### 5.23 应交税费

项 目	期末数	年初数
增值税	-6,572,930.38	-4,926,348.19
营业税	5,304,791.52	10,178,329.66
企业所得税	41,565,447.83	17,477,085.46
教育费附加	92,620.34	521,231.86
个人所得税	222,433.53	240,374.73
城市维护建设税	57,785.27	657,841.40
房产税	2,834,813.90	2,446,167.58
土地使用税	1,273,454.98	883,913.57
印花税	460,072.00	295,671.67
土地增值税	-3,664.66	-3,664.66
其他	685,962.63	28,684.07
合 计	45,920,786.96	27,799,287.15

本公司期末应交税费最终以税务机关确认数为准。

### 5.24 应付利息

项 目	期末数	年初数
分期付息到期还本的长期借款利息	3,606,548.30	4,936,351.30
企业债券利息	141,464,594.69	135,835,683.67
合 计	145,071,142.99	140,772,034.97

### 5.25 应付股利

单位名称	期末数	年初数	超过 1 年未支付原因
中国石化销售有限公司	5,000,000.00		
中南民航经济发展公司	499,500.00	499,500.00	股东未领取
中国南方航空股份有限公司		166,500.00	
合 计	5,499,500.00	666,000.00	

### 5.26 其他应付款

#### 5.26.1 账龄

项 目	期末数	年初数
一年以内	325,240,838.52	36,866,796.23
一年以上	1,043,236.13	215,238,531.26
合 计	326,284,074.65	252,105,327.49

5.26.2 期末余额中应付持有公司 5%（含 5%）以上表决权股份的股东单位或关联方情况见附注 6.6。

## 5.27 一年内到期的非流动负债

### 5.27.1 分类

项 目	期末数	年初数
一年内到期的长期借款	606,092,000.00	134,744,200.00
一年内到期的应付债券		1,000,000,000.00
一年内到期的长期应付款	176,078,077.86	95,378,001.40
合 计	782,170,077.86	1,230,122,201.40

### 5.27.2 一年内到期的长期借款

项 目	期末数	年初数
抵押借款	606,092,000.00	134,744,200.00

一年内到期的长期借款中无属于逾期借款获得展期的金额。

### 5.27.3 一年内到期的应付债券

项 目	期末数	年初数
华夏私募债券		1,000,000,000.00

### 5.27.4 一年内到期的长期应付款

项 目	期末数	年初数
融资租赁长期应付款	176,078,077.86	95,378,001.40

## 5.28 长期借款

### 5.28.1 长期借款分类

项 目	期末数	年初数
保证、担保借款		
抵押借款	897,958,861.94	405,817,195.78
质押借款	1,245,963,758.00	1,688,801,518.00
合 计	2,143,922,619.94	2,094,618,713.78

本公司的子公司海航基础股份有限公司向银行的借款美元 250,000,000.00 元,折合人民币 1,524,225,000 元(2013 年 12 月 31 日,折合人民币 1,524,225,000.00 元)是由其持有的海南美兰国际机场货运有限责任公司 51%股权作为质押及本集团的土地使用权账面价值约人民币 8,717,183.00 元(原价为人民币 11,852,138.00 元)作为抵押,利息每季度支付一次,本金应于 2016 年 12 月 30 日前分期偿还。

本公司的子公司海航基础股份有限公司向银行借款美元 26,993,475 元,折

合人民币 165,173,074 元（2013 年 12 月 31 日，美元 44,993,475.00 元，折合人民币 274,320,718.00 元），是由其持有的海航机场控股 24.50% 股权作为质押，利息每季度支付一次，本金应于 2016 年 1 月 26 日前分期偿还。

2013 年，本公司向银行借款 395,000,000.00 元是由公司以海口市国用(2007) 第 006491 号土地使用权作为抵押，利息每季度支付一次，本金应于 2016 年 7 月 23 日前分期偿还，2014 年已偿还 25,000,000.00 元。

### 5.29 应付债券

项 目	期末账面余额	年初账面余额
应付债券	3,393,619,030.00	2,392,365,219.00

公司应付债券系公司发行的中期票据。

### 5.30 长期应付款

项 目	期末数	年初数
应付融资租赁款	443,019,701.97	384,710,757.61

#### ①应付融资租赁款明细

项 目	期末数	年初数
长城国兴金融租赁有限公司	178,325,648.28	234,734,840.74
江苏金融租赁有限公司	113,654,323.62	149,975,916.87
远东国际租赁有限公司	151,039,730.07	
合计	443,019,701.97	384,710,757.61

### 5.31 递延收益

项 目	期末账面余额	年初账面余额
与资产相关的政府补助	77,390,000.00	74,490,000.00
未实现售后租回损益	105,280,464.74	18,336,331.00
合计	182,670,464.74	92,826,331.00

### 5.32 实收资本

股东名称	年初数	本期增加	本期减少	期末数
海南省发展控股有限公司	517,117,602.00			517,117,602.00
中国航空油料有限责任公司	64,674,500.00			64,674,500.00
海南航空股份有限公司	245,000,000.00			245,000,000.00
海航机场集团有限公司	460,488,000.00	24,509,804.00		484,997,804.00
甘肃省公路航空旅游投	492,950,000.00			492,950,000.00

资集团有限公司				
洋浦联海工贸有限公司	148,683,000.00			148,683,000.00
中国南方航空股份有限公司	100,000,000.00			100,000,000.00
海南航辉农业开发有限公司		465,686,275.00		465,686,275.00
合 计	2,028,913,102.00	490,196,079.00		2,519,109,181.00

本公司注册资本的实收情况业经海南昌兴会计师事务所“海昌兴验（2004）129号”验资报告、海南翔得会计师事务所“海翔验字[2008]第007号”验资报告和“（2008）翔得验字第027号”验资报告、海南立信长江会计师事务所“立信会验字（2014）489号”验资报告验证。

### 5.33 资本公积

#### 5.33.1 明细

项 目	年初数	本期增加	本期减少	期末数
资本溢价(股本溢价)	503,040,062.87	509,803,921.00		1,012,843,983.87
其他资本公积	265,964,164.72		17,391,304.69	248,572,860.03
合 计	769,004,227.59	509,803,921.00	17,391,304.69	1,261,416,843.90

注：因公司增资产生的股本溢价 509,803,921.00 元。

### 5.34 其他综合收益

#### 5.34.1 明细

项 目	年初数	本期增加	本期减少	期末数
一、以后不能重分类进损益的其他综合收益				
1. 重新计量设定收益计划净负债或净资产的变动				
2. 权益法下在被投资单位不能重分类进损益的其他综合收益中享有的份额				
3.其他				
小 计				
二、以后将重分类进损益的其他综合收益				
1. 权益法下在被投资单位以后将重分类进损益的其他综合收益中享有的份额	-51,005,745.89	50,264,654.55		-741,091.34
2.可供出售金额资产公允价值变动损益	137,616,300.00	204,207,573.00		341,823,873.00
3.持有至到期投资重分类为可供出售金融资产损益				
4.现金流量套期损益的有效部分				

5.外币财务报表折算差额			
6.其他	133,383,357.77		133,383,357.77
小计	219,993,911.88	254,472,227.55	474,466,139.43
合计	219,993,911.88	254,472,227.55	474,466,139.43

## 5.34.2 变动情况

项 目	本期发生额	上期发生额
一、以后不能重分类进损益的其他综合收益的金额		
1. 重新计量设定收益计划净负债或净资产的变动的金额		
减：重新计量设定收益计划净负债或净资产的变动的所得税影响		
小计		
2. 权益法下在被投资单位以后不能重分类进损益的其他综合收益中享有的份额的金额		
减：权益法下在被投资单位以后不能重分类进损益的其他综合收益的所得税影响		
小计		
3.其他		
减：由其他计入其他综合收益产生的所得税影响		
小计		
合计		
二、以后将重分类进损益的其他综合收益的金额		
1. 权益法下在被投资单位以后将重分类进损益的其他综合收益中享有的份额的金额	50,264,654.55	-1,186,678.62
减：权益法下在被投资单位以后将重分类进损益的其他综合收益的所得税影响		
前期计入其他综合收益当期转入损益的净额		
小计	50,264,654.55	-1,186,678.62
2.可供出售金融资产产生的利得（损失）金额	272,276,764.00	-22,050,583.00
减：可供出售金融资产产生的所得税影响	68,069,191.00	-5,512,645.75
前期计入其他综合收益当期转入损益的净额		
小计	204,207,573.00	-16,537,937.25
3. 持有至到期投资重分类为可供出售金融资产损益金额		
减：持有至到期投资重分类为可供出售金融资产损益产生的所得税影响		
前期计入其他综合收益当期转入损益的净额		
小计		
4.现金流量套期工具产生的利得（或损失）金额		
减：现金流量套期工具产生的所得税影响		
前期计入其他综合收益当期转入损益的净额		
转为被套期项目初始确认金额的调整		

小 计		
5.外币财务报表折算差额		
减：处置境外经营当期转入损益的净额		
小 计		
6.其他		
减：由其他计入其他综合收益产生的所得税影响		
前期其他计入其他综合收益当期转入损益的净额		
小计		
小 计	254,472,227.55	-17,724,615.87
合 计	254,472,227.55	-17,724,615.87

### 5.35 盈余公积

项 目	年初数	本期增加	本期减少	期末数
法定盈余公积	18,806,460.60	3,645,930.83		22,452,391.43

### 5.36 未分配利润

项 目	金额	提取或分配比例
调整前 上年期末未分配利润	1,058,006,261.19	
调整 年初未分配利润合计数	16,741,192.69	
调整后 年初未分配利润	1,074,747,453.88	
加：本期归属于母公司所有者的净利润	168,249,680.74	
减：提取法定盈余公积	3,645,930.83	10%
提取任意盈余公积		
提取一般风险准备		
应付普通股股利	8,000,000.00	
转作股本的普通股股利		
期末未分配利润	1,231,351,203.79	

### 5.37 营业收入、营业成本

#### 5.37.1 营业收入和营业成本

项 目	本期发生额	上期发生额
营业收入	3,660,416,797.76	3,438,621,078.68
其中：主营业务收入	3,653,910,151.00	3,431,155,588.28
其他业务收入	6,506,646.76	7,465,490.40
营业成本	2,908,909,320.87	2,771,632,297.11
其中：主营业务成本	2,908,632,652.40	2,771,229,827.41
其他业务支出	276,668.47	402,469.70

营业收入本期较上期增加 221,795,719.08 元，增长 6.45%的原因主要系业务量增长所致。

## 5.37.2 主营业务（分行业）

行业名称	本期发生额		上期发生额	
	营业收入	营业成本	营业收入	营业成本
航空地面服务业	472,410,203.96	451,355,333.26	417,840,026.18	378,631,441.27
机场建设费返还	160,621,367.00		138,593,584.00	
租赁业	45,594,595.96		39,309,013.07	
特许经营收入	208,534,299.00		159,177,174.00	
货运及包装收入	74,381,508.00		67,893,912.00	
其他服务业	134,833,518.51		111,799,704.32	
喷气航煤及油料	2,557,534,658.57	2,457,277,319.14	2,496,542,174.71	2,392,598,386.14
合计	3,653,910,151.00	2,908,632,652.40	3,431,155,588.28	2,771,229,827.41

## 5.37.3 主营业务（分地区）

地区名称	本期发生额		上期发生额	
	营业收入	营业成本	营业收入	营业成本
海口地区	3,653,910,151.00	2,908,632,652.40	3,431,155,588.28	2,771,229,827.41

## 5.38 营业税金及附加

项目	本期发生额	上期发生额
营业税	18,183,163.83	33,237,916.18
城市维护建设税	3,421,851.47	3,764,513.99
教育费附加	1,949,958.23	2,078,819.15
地方教育费附加等	543,718.17	655,327.41
合计	24,098,691.70	39,736,576.73

## 5.39 财务费用

项目	本期发生额	上期发生额
利息支出	278,617,373.57	356,906,344.59
减：利息收入	35,507,890.01	26,905,183.19
汇兑损失	7,924,283.00	-984,890.09
减：汇兑收益	9,484.02	17,029,025.51
掉期损益		
金融机构手续费	2,534,552.63	6,070,361.63
其他	25,494,469.65	13,476,426.25
合计	279,053,304.82	331,534,033.68

## 5.40 资产减值损失

项目	本期发生额	上期发生额
1.坏账损失	598,232.17	840,197.95
2.存货跌价损失	14,264,885.41	
合计	14,863,117.58	840,197.95



**5.41 公允价值变动收益**

项 目	本期发生额	上期发生额
按公允价值计量的投资性房地产	56,245,702.51	10,187,414.00

**5.42 投资收益**

## (1) 投资收益明细情况

项 目	本期发生额	上期发生额
成本法核算的长期股权投资收益		
权益法核算的长期股权投资收益	48,058,381.39	25,474,356.19
处置长期股权投资产生的投资收益	-29,972.00	-68,000.00
持有交易性金融资产期间取得的投资收益		
持有至到期投资取得的投资收益期间取得的投资收益	81,999,600.00	184,155,485.56
持有可供出售金融资产等期间取得的投资收益	28,159,958.21	84,014,979.88
处置交易性金融资产取得的投资收益		
处置持有至到期投资取得的投资收益		
处置可供出售金融资产等取得的投资收益	-48,499,146.83	
其他		11,842.47
合 计	109,688,820.77	293,588,664.10

## (2) 按权益法核算的长期股权投资收益:

被投资单位	本期发生额	上期发生额	本期比上期增减变动的 原因
扬子江保险经纪有限公司	-138,243.24	-419,747.41	
联讯证券股份有限公司	16,723,986.63	-1,037,560.40	
海航机场控股有限公司	31,472,638.00	26,931,664.00	
合 计	48,058,381.39	25,474,356.19	

**5.43 营业外收入**

项 目	本期发生额	上期发生额
非流动资产处置利得合计	57,422.52	6,602.25
其中：固定资产处置利得	57,422.52	6,602.25
无形资产处置利得		
债务重组利得		
非货币性资产交换利得		
接受捐赠		
政府补助	23,166,200.00	4,932,200.00
其他收入	8,752,105.07	416,327.20
罚款收入		
债务清理		

税金返还	1,108,417.46	98,116.93
合 计	33,084,145.05	5,453,246.38

#### 5.44 营业外支出

项 目	本期发生额	上期发生额
非流动资产处置损失合计	5,948,455.38	1,668,242.22
其中：固定资产处置损失	5,948,455.38	1,668,242.22
无形资产处置损失		
债务重组损失		
非货币性资产交换损失		
对外捐赠	232,000.00	
罚没支出		
其他支出	2,127,256.89	1,595,788.03
税款滞纳金		
合 计	8,307,712.27	3,264,030.25

#### 5.45 所得税费用

项 目	本期发生额	上期发生额
按税法及相关规定计算的当期所得税	116,104,147.90	64,339,514.53
递延所得税调整	9,933,246.33	-2,460,378.39
合 计	126,037,394.23	61,879,136.14

#### 5.46 现金流量表补充资料

##### 5.46.1 现金流量表补充资料

项 目	本期发生额	上期发生额
<b>1. 将净利润调节为经营活动现金流量：</b>		
净利润	343,092,847.75	390,936,359.57
加：资产减值准备	14,863,117.58	840,197.95
固定资产折旧、油气资产折耗、生产性生物资产折旧	110,762,386.41	102,800,407.84
无形资产摊销	6,968,298.62	6,994,361.51
长期待摊费用摊销	7,702,874.40	-3,664,488.69
递延收益摊销	-3,253,731.00	-1,202,325.00
处置固定资产、无形资产和其他长期资产的损失	5,891,032.86	1,215,370.21
公允价值变动损失	-56,245,702.51	-10,187,414.00
财务费用	313,163,230.16	356,906,344.59
投资损失	-109,688,820.77	-293,588,664.10
递延所得税资产减少	-4,128,179.30	-5,269,615.48
递延所得税负债增加	14,061,425.63	2,809,237.09
存货的减少	3,177,499.78	43,447,017.89

经营性应收项目的减少	-448,526,313.65	21,243,196.22
经营性应付项目的增加	410,593,147.10	145,701,002.75
其他	-1,730,093.78	3,935,934.26
经营活动产生的现金流量净额	606,703,019.28	762,916,922.61
<b>2. 不涉及现金收支的重大投资和筹资活动:</b>		
债务转为资本		
一年内到期的可转换公司债券		
融资租入固定资产		
<b>3. 现金及现金等价物净变动情况:</b>		
现金的期末余额	2,798,471,199.88	3,689,913,456.95
减: 现金的期初余额	3,689,913,456.95	2,149,741,873.23
加: 现金等价物的期末余额		
减: 现金等价物的期初余额		
现金及现金等价物净增加额	-891,442,257.07	1,540,171,583.72

#### 5.46.2 现金和现金等价物的构成

项 目	期末数	年初数
一、现金	2,798,471,199.88	3,689,913,456.95
其中: 库存现金	406,717.48	748,020.39
可随时用于支付的银行存款	2,798,064,482.40	3,689,165,436.56
可随时用于支付的其他货币资金		
可用于支付的存放中央银行款项		
存放同业款项		
拆放同业款项		
二、现金等价物		
其中: 三个月内到期的债券投资		
三、期末现金及现金等价物余额	2,798,471,199.88	3,689,913,456.95

### 附注 6 关联方及关联交易

#### 6.1 本企业的前三大股东情况

前三大股东名称	关联关系	企业类型	注册地	法人代表	业务性质	注册资本	母公司对本企业的持股比例 (%)
海南省发展控股有限公司	公司股东	有限责任公司 (国有独资)	海口	刘明贵	投资管理	3,611,046,215.00	20.53
甘肃省公路航空旅游投资集团有限公司	公司股东	有限责任	甘肃	康军	交通运输、仓储和邮政业	20,000,000,000.00	19.57
海航机场集团有限公司	公司股东	有限责任	海口	梁军	服务业	10,037,400,000.00	19.25

#### 6.2 本企业的子公司情况

子公司全称	子公司类型	企业类型	注册地	法人代表
海南美亚实业有限公司	控股子公司	有限责任	海口	姚太民
海航基础股份有限公司	控股子公司	股份有限公司	海口	王贞
海南海口美兰国际机场免税品有限公司	控股子公司的控股子公司	有限责任	海口	董桂国
海南美兰国际机场货运有限责任公司	控股子公司的控股子公司	有限责任	海口	梁军

子公司全称	业务性质	注册资本	持股比例 (%)	表决权比例 (%)	组织机构代码
海南美亚实业有限公司	服务业	87,500,000.00	50	50	29373289-6
海航基础股份有限公司	服务业	473,213,000.00	50.189	50.189	72127172-4
海南海口美兰国际机场免税品有限公司	零售业	1,000,000.00	100	100	71381033-7
海南美兰国际机场货运有限责任公司	服务业	20,000,000.00	51	51	69893816-3

### 6.3 本企业的合营和联营企业情况

被投资单位名称	企业类型	注册地	法人代表	业务性质	注册资本	本企业持股比例 (%)	本企业在被投资单位表决权比例 (%)	关联关系	组织机构代码
一、合营企业									
二、联营企业									
扬子江保险经纪有限公司	有限责任	北京市	杨素梅	金融业	50,000,000.00	49.00	49.00		
海口德诚实业有限公司	有限责任	海南省海口市	吴恕	物业开发、休闲度假经营开发、生态农业开发、绿化园艺	101,681,000.00	30.00	30.00		
联讯证券股份有限公司	有限责任	广东省惠州市	徐刚	金融业	115,839,601.18	20.64	20.64		
海航机场控股(集团)有限公司	有限责任	海南省海口市	董桂国	机场投资、控股、建设、改造	3,020,151,992.00	24.5	24.50		

### 6.4 本企业的其他关联方情况

其他关联方名称	其他关联方与本公司关系
海航机场集团有限公司	本公司股东
海南航空股份有限公司	本公司股东

中国南方航空股份有限公司	本公司股东
海航集团有限公司	对本公司有重大影响
海航集团财务有限公司	受海航集团的控制
西部航空有限责任公司	受海航集团的控制
新华空港服务有限公司	受海航集团的控制
北京首都航空有限公司	受海航集团的控制
长江租赁有限公司	受海航集团的控制
海航地产控股(集团)有限公司	受海航集团的控制
海航酒店(集团)有限公司	海航集团的联营企业
海航商业控股集团有限公司	受海航集团的控制
海航思福汽车租赁有限公司	受海航集团的控制
海口德诚实业发展有限公司	受海航集团的控制
海航物业管理有限公司	受海航集团的控制
海南海航航空信息系统有限公司	受海航集团的控制
海南海航中免免税品有限公司	受海航集团的控制
海南康乐园温泉高尔夫球会公司	受海航集团的控制
满洲里西郊机场有限责任公司	受海航集团的控制
三亚凤凰国际机场有限责任公司	受海航集团的控制
天津航空有限责任公司	受海航集团的控制
幸运国际旅行社有限公司	受海航集团的控制
宜昌三峡机场有限责任公司	受海航集团的控制
海南美兰机场国际旅行社有限责任公司	受海航集团的控制
海航置业控股(集团)有限公司	受海航集团的控制
海南美兰海航酒店有限公司	海航集团的联营企业
海航基础产业集团有限公司	受海航集团的控制
海航实业集团有限公司	受海航集团的控制

## 6.5 关联交易情况

### 6.5.1 采购商品、接受劳务的关联交易

关联方	关联交易内容	关联交易定价方式及决策程序	本期发生额	上期发生额
海航物业管理有限公司	保洁服务、物业管理以及旅客行李推车服务、飞机客舱清洁服务	市场价格	21,693,615.00	15,204,829.00
海南航空股份有限公司	购买纸泡箱	市场价格		20,040,998.00
海航货运有限公司	提供劳务	市场价格	24,335,241.00	5,542,399.00

海南美兰机场国际旅行社有限责任公司	提供劳务	市场价格	3,655,696.00	1,944,375.00
海南易建科技有限公司	提供劳务	市场价格	3,160,000.00	3,182,274.00
海航思福汽车租赁有限公司	提供劳务	市场价格	1,965,600.00	1,817,640.00
海南航空食品有限公司	提供劳务	市场价格	246,279.00	196,140.00

### 6.5.2 出售商品、提供劳务的关联交易

关联方	关联交易内容	关联交易定价方式及决策程序	本期发生额	上期发生额
海南航空股份有限公司	机场地面服务费、货运服务	市场价格	159,418,959.78	152,534,877.44
北京首都航空有限公司	机场地面服务费	市场价格	57,485,510.74	62,000,880.92
天津航空有限公司	机场地面服务费	市场价格	24,571,305.92	19,609,556.91
西部航空有限公司	机场地面服务费	市场价格	3,297,851.03	3,643,303.79
三亚海航金鹿公务航空地面服务有限公司	机场地面服务费	市场价格	3,438,876.000	821,600.00

本公司及子公司海航基础股份有限公司按照中国民用航空总局规定的收费标准，分别向海南航空股份有限公司和其他航空公司提供惯常的机场地勤服务，包括降落设施、基本地勤服务、乘客及行李服务以及其他相关服务。

### 6.5.3 特许经营权

关联方	关联交易内容	关联交易定价方式及决策程序	本期发生额	上期发生额
海南航空食品有限公司	航空食品专营权	市场价格		875,335.00
海南海航中免免税品有限公司	销售特许专营权	市场价格	6,686,505.00	5,824,530.00
海南美兰机场国际旅行社有限责任公司	旅游特许专营权	市场价格	4,350,000.00	4,120,000.00

### 6.5.4 关联租赁情况

#### ①公司出租情况

出租方名称	承租方名称	租赁资产种类	租赁起始日	租赁终止日	本年度确认的租赁收益	上年度确认的租赁收益
海航基础股份有限公司	海南航空股份有限公司	经营租赁	2011-1-1	2014-12-31	7,074,917.42	5,897,901.00
海口美兰国际机场有限责任公司	海南美兰海航酒店有限公司	经营租赁	2009-1-1	2014-12-31	1,800,000.00	1,880,000.00

### 6.5.5 存款利息收入

2014 年度，存放于海航集团财务公司的银行存款利息收入为：

公司名称	本期发生额	上期发生额
海航基础股份有限公司	10,544,802.00	11,392,621.00
海口美兰国际机场有限责任公司	505,017.42	997,424.20

### 6.5.6 关联担保情况

截止报告期末，本公司为海南航空股份有限公司等关联单位提供了贷款担保，担保金额为 12.9 亿元。

## 6.6 关联方应收应付款项

### 6.6.1 应收/预付关联方款项

项目名称	关联方	期末金额		年初金额	
		账面余额	坏账准备	账面余额	坏账准备
应收账款	海南航空股份有限公司	61,377,353.22		447,072.00	
	北京首都航空有限公司	31,064,911.07		11,440,028.00	
	天津航空有限责任公司	11,162,382.93		4,065,540.00	
	海南海航中免免税品有限公司	11,603,914.95		752,369.35	
	海南美兰海航酒店有限公司	10,343,333.40		8,555,566.58	
	其他	5,256,307.00		4,651,191.00	
	小计	130,808,202.57		29,911,766.93	
其他应收款	海航实业集团有限公司	1,223,168,666.67			
	新华空港机场服务有限公司	135,924,197.57		9,923,677.57	
	大新华轮船（烟台）有限公司	95,000,000.00		89,050,000.00	
	海口新城区建设开发有限公司	81,500,000.00		30,500,000.00	
	上海家得利超市有限公司	80,000,000.00			
	海航机场集团有限公司	12,747,134.21		333,441,902.88	
	其他	132,464,074.02		712,260,523.82	
小计	1,760,804,072.47		1,175,176,104.27		

### 6.6.2 应付/预收关联方款项

项目名称	关联方	期末金额	年初金额
应付账款	海航物业管理有限公司	5,209,585.00	4,307,138.00
	海航货运有限公司		2,210,139.00
	海南美兰机场国际旅行社有限责任公司	3,716,964.00	1,944,375.00
	海航思福汽车租赁有限公司	491,040.00	333,360.00
	海南航空食品有限公司	276,491.00	75,940.00
	海南易建科技有限公司	1,046,422.00	433,333.00
	小计	10,740,502.00	9,304,285.00
其他应付款	海航置业控股（集团）有限公司	47,293,041.00	
	海南航空股份有限公司	22,841,957.00	13,822,714.00
	海南海航航空进出口有限公司	9,218,479.85	9,218,479.85

	海航酒店控股集团有限公司	8,960,000.00	8,960,000.00
	海航物业管理有限公司	2,228,161.26	1,289,374.35
	其他	6,297,535.35	35,668,026.64
	小计	96,839,174.46	68,958,594.84
预收账款	海南海航中免免税品有限公司	61,900.90	61,900.90

#### 附注 7 或有事项的说明

截止报告期末，本公司无应披露的重大或有事项。

#### 附注 8 承诺事项的说明

2011 年 8 月 26 日，本公司与美兰股份分别订立了土地使用权转让协议及航站楼扩建工程协议。根据协议规定，本公司以人民币 31,289,734.00 元购买美兰股份约 125 亩的土地，以用于航站楼扩建工程施工及整体上取得相关的房产证；另外，本公司同意向美兰股份出售于该项目竣工后组成项目的所有资产，包括但不限于该项目的土地使用权、及于该项目竣工后将组成的所有相关的建筑物、设备、设施及其他相关资产，转让价款为人民币 1,096,806,000.00 元。

于 2012 年 12 月 12 日，原订立的航站楼扩建工程协议终止，本公司同时与美兰股份就该项目重新签订了投资建设协议。根据投资建设协议，项目总投资金额变更为人民币 1,026,680,000.00 元，包括预计建筑成本人民币 876,500,000.00 元以及土地使用权的对价人民币 150,180,000.00 元。该项目之施工最迟将于 2015 年 12 月 31 日或以前完成。上述决议已经 2013 年 3 月 4 日召开的特别股东大会决议通过。

#### 附注 9 资产负债表日后非调整事项

截止报告期末，本公司无应披露的资产负债表日后非调整事项。

#### 附注 10 母公司财务报表主要项目注释

##### 10.1 应收账款

##### 10.1.1 账龄分析

账龄	期末数			年初数		
	金额	比例%	坏账准备	金额	比例%	坏账准备
1 年以内	8,625,022.91	52.95		3,432,369.39	36.88	
1 至 2 年	2,680,000.04	16.45		4,039,125.82	43.39	
2 至 3 年	4,039,125.82	24.80		1,836,440.72	19.73	
3 年以上	944,207.58	5.80				



合计	16,288,356.35	100.00		9,307,935.93	100.00	
净额	16,288,356.35			9,307,935.93		

10.1.2 期末余额中无持有公司 5% (含 5%) 以上表决权股份的股东单位款项。

10.1.3 应收关联方账款情况

单位名称	与本公司关系	金额	占应收账款总额的比例(%)
海南美兰海航酒店有限公司	海航集团的联营企业	10,343,333.40	63.50
海免海口美兰机场免税店有限公司	受海航集团的控制	5,933,322.95	36.43
合计		16,276,656.35	99.93

## 10.2 其他应收款

10.2.1 账龄分析

账龄	期末数			年初数		
	金额	比例%	坏账准备	金额	比例%	坏账准备
1 年以内	1,544,517,030.77	83.16		1,003,399,127.19	73.86	
1 至 2 年	121,816,386.60	6.56	154,993.43	40,558,928.50	2.99	343.39
2 至 3 年	39,685,888.45	2.14	536.51	8,762,909.31	0.65	53,610.74
3 年以上	151,333,266.09	8.14	2,110,959.54	305,777,680.29	22.5	2,058,186.19
合计	1,857,352,571.91	100.00	2,266,489.48	1,358,498,645.29	100.00	2,112,140.32
净额	1,855,086,082.43			1,356,386,504.97		

10.2.2 期末余额中持有公司 5% (含 5%) 以上表决权股份的股东单位情况

单位名称	期末数		年初数	
	金额	坏账准备	金额	坏账准备
海南航空股份有限公司	24,554,756.74		27,316,242.74	
海航机场集团有限公司	12,747,134.21		333,441,902.88	
合计	37,301,890.95		360,758,145.62	

## 10.3 长期股权投资

被投资单位	核算方法	投资成本	期初余额	增减变动	期末余额	在被投资单位持股比例(%)
海南美亚实业有限公司	成本法	50,312,290.32	50,312,290.32		50,312,290.32	50.00
海航基础股份有限公司	成本法	310,204,570.24	310,204,570.24		310,204,570.24	50.189
海南海口美兰国际机场免税品有限公司	成本法	50,000.00	50,000.00		50,000.00	5.00

扬子江保险经纪有限公司	权益法	24,500,000.00	33,551,461.47	-138,243.24	33,413,218.23	49.00
联讯证券股份有限公司	权益法	346,851,356.89	177,995,218.98	174,575,241.63	352,570,460.61	20.64
合计		731,918,217.45	572,113,541.01	174,436,998.39	746,550,539.40	

被投资单位	在被投资单位表决权比例(%)	在被投资单位持股比例与表决权比例不一致的说明	减值准备	本期计提减值准备	现金红利
海南美亚实业有限公司	50.00				5,000,000.00
海航基础股份有限公司	50.189				40,137,500.00
海南海口美兰国际机场免税品有限公司	5.00				
扬子江保险经纪有限公司	49.00				
联讯证券股份有限公司	20.64				
合计					45,137,500.00

#### 10.4 营业收入和营业成本

项目	本期发生额	上期发生额
营业收入	236,648,923.82	193,256,028.09
其中：主营业务收入	235,288,353.82	191,779,937.89
其他业务收入	1,360,570.00	1,476,090.20
营业成本	147,197,318.82	116,592,513.12
其中：主营业务成本	147,197,318.82	116,592,513.12
其他业务支出		

#### 10.5 投资收益

##### 10.5.1 投资收益明细

客户名称	本期发生额	上期发生额
成本法核算的长期股权投资收益	45,137,500.00	71,050,000.00
权益法核算的长期股权投资收益	16,585,743.39	-1,457,307.81
处置长期股权投资产生的投资收益		-68,000.00
持有交易性金融资产期间取得的投资收益		
持有至到期投资取得的投资收益期间取得的投资收益	81,999,600.00	184,155,485.56
持有可供出售金融资产等期间取得的投资收益	28,159,958.21	84,014,979.88
处置交易性金融资产取得的投资收益		
持有至到期投资取得的投资收益		
处置可供出售金融资产等取得的投资收益	-48,499,146.83	
其他		11,842.47
合计	123,383,654.77	337,707,000.10

##### 10.5.2 按成本法核算的长期股权投资收益

被投资单位	本期发生额	上期发生额
海南美亚实业有限公司	5,000,000.00	15,000,000.00
海航基础股份有限公司	40,137,500.00	56,050,000.00
合 计	45,137,500.00	71,050,000.00

### 10.5.3 按权益法核算的长期股权投资收益

被投资单位	本期发生额	上期发生额
扬子江保险经纪有限公司	-138,243.24	-419,747.41
联讯证券股份有限公司	16,723,986.63	-1,037,560.40
合 计	16,585,743.39	-1,457,307.81

由于公司本期对渤海国际信托有限公司无重大影响，故采用成本法核算，未确认对其的投资收益。

### 10.6 现金流量表补充资料

项 目	本期发生额	上期发生额
1. 将净利润调节为经营活动现金流量：		
净利润	36,459,308.27	80,017,556.06
加：资产减值准备	154,349.17	301,485.95
固定资产折旧、油气资产折耗、生产性生物资产折旧	45,438,662.20	42,775,311.39
无形资产摊销	3,301,353.35	3,279,393.58
长期待摊费用摊销	5,616,960.68	
处置固定资产、无形资产和其他长期资产的损失	2,689,920.11	1,607,760.92
固定资产报废损失		
公允价值变动损失	-56,245,702.51	-10,187,414.00
财务费用	207,526,893.68	270,150,168.07
投资损失	-123,383,654.77	-337,707,000.10
递延所得税资产减少	-38,587.30	-75,371.48
递延所得税负债增加	14,061,425.63	2,809,237.09
存货的减少		
经营性应收项目的减少	-404,665,650.60	31,448,531.65
经营性应付项目的增加	562,458,539.23	125,590,772.74
其他	-5,573,255.00	
经营活动产生的现金流量净额	287,800,562.14	210,010,431.87
2. 不涉及现金收支的重大投资和筹资活动：		
债务转为资本		
一年内到期的可转换公司债券		
融资租入固定资产		
3. 现金及现金等价物净变动情况：		
现金的期末余额	857,707,830.70	632,151,847.21

减：现金的期初余额	632,151,847.21	893,778,058.70
加：现金等价物的期末余额		
减：现金等价物的期初余额		
现金及现金等价物净增加额	225,555,983.49	-261,626,211.49

海口美兰国际机场有限责任公司

法定代表人：

主管会计工作负责人：

财务负责人：

二〇一五年四月十二日

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British Virgin Islands

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