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海南美蘭國際空港股份有限公司
Hainan Meilan International Airport Company Limited*
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 357)

UPDATE ANNOUNCEMENT ON ARBITRATION

This announcement is made by Hainan Meilan International Airport Company Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the inside information announcement of the Company dated 5 January 2021 in relation to the Arbitration (the “**2021 Announcement**”) and the update announcement dated 15 June 2023 in relation to the Arbitration (the “**2023 Announcement**”). Unless the context requires otherwise, terms used herein shall have the same meanings as those defined therein.

As mentioned in the 2021 Announcement, Aero Infrastructure Holding Company Limited (the “**Arbitration Claimant**”) claimed against the Company for losses of up to and not exceeding HK\$6,962 million in relation to dispute arising from the Subscription Agreement entered into in 2019. In subsequent proceedings of the Arbitration, the Arbitration Claimant adjusted the claim to an amount not exceeding HK\$2,958 million and the payment of the relevant arbitration fees.

As mentioned in the 2023 Announcement, in the arbitration award in respect of the first phase of the Arbitration, the majority opinion of the arbitral tribunal was that, the Company did not use its best endeavours to procure the completion of the transactions contemplated under the Subscription Agreement, which constituted a breach of contract. In the second half of 2023, the Arbitration entered into the second phase to determine whether there was a causal relationship between the “breach of contract” and the loss alleged by the Arbitration Claimant and, should there be a causal relationship, the amount of damages to be awarded to the Arbitration Claimant.

* *For identification purposes only*

Recently, the Company received an arbitration award in respect of the second phase of the Arbitration (being the final award for such), where the majority opinion of the arbitral tribunal is that the Arbitration Claimant suffered from certain loss of opportunity, and held that the Company should pay damages and relevant arbitration fees of approximately HK\$298.8 million in aggregate, and the interest from the hand-down date of the arbitration award of the second phase of the Arbitration to the date of full payment of the arbitrated amount (calculated by simple interest at 8.875% per annum).

The Company is currently organising arbitration lawyers to study the above arbitration award and subsequent matters. It is expected that the above arbitration award will not have a material adverse impact on the production and operation of the Company. The Company will, as always, make every effort to ensure the smooth and safe operation of the Company's business.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Haikou, the PRC
5 July 2024

As at the date of this announcement, the Board comprises (i) three executive directors, namely Mr. Wang Hong, Mr. Ren Kai and Mr. Xing Zhoujin; (ii) three non-executive directors, namely Mr. Wu Jian, Mr. Li Zhiguo and Mr. Wen Zhe; and (iii) four independent non-executive directors, namely Mr. Fung Ching, Simon, Mr. Deng Tianlin, Mr. George F Meng and Mr. Ye Zheng.

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