

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the meanings set out below. Certain other terms are explained in the section headed "Glossary".

"Affiliates"	any subsidiary or holding company of a party, any subsidiary of any such holding company, and any company in which a party or any such holding company or subsidiary directly or indirectly has 30% or more equity interest, where holding company and subsidiary shall have the meanings as set out in the Companies Ordinance
"Agreement on Runway"	the agreement on runway entered into between the Company and Parent Company on 25th October, 2002 in relation to, amongst others, the operation and maintenance of the Runway
"Air China"	中國國際航空公司 (Air China), a PRC enterprise wholly-owned by the PRC Government
"Airport Fee"	civil airport management and construction fee payable to a civil airport by passengers departing from such airport in China
"Articles of Association" or "Articles"	the articles of association of the Company, adopted on 4th September, 2002 by the shareholders in general meeting and approved on 18th September, 2002 by SETC
"Asset Swap Agreement"	an asset swap agreement dated 30th May, 2002 and entered into between the Company and Parent Company, and supplemented by a supplemental agreement dated 25th October, 2002 entered into between the same parties in relation to swap of certain assets
"Aviation Oil"	中國航空油料總公司 (China Aviation Oil Company), a company established in the PRC
"Board"	the board of Directors
"Booz Allen Hamilton"	Booz Allen Hamilton (Australia) Limited, the independent air traffic consultants appointed by the Company to prepare the air traffic consultants' report, a summary of which is set out in Appendix V
"business day"	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
"CAAC"	中國民用航空總局 (General Administration of Civil Aviation of China), also known as Civil Aviation Administration of China
"CADI"	Copenhagen Airport Development International A/S, a wholly-owned subsidiary of the Strategic Investor
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Central South Aviation Development"	中南民航經濟發展公司 (Central South Civil Aviation Economy Development Corporation), a company established in the PRC and one of the Promoters of the Company

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“Central South Bureau”	民航中南管理局 (Central South Management Bureau of CAAC)
“CFETC”	中國外匯交易中心 (China Foreign Exchange Trading Centre)
“China Eastern Airlines”	中國東方航空股份有限公司 (China Eastern Airlines Company Limited), a joint stock limited company incorporated in the PRC and listed on the Stock Exchange, and its affiliates
“China Northern Airlines”	中國北方航空公司 (China Northern Airlines Company), a PRC enterprise wholly owned by the PRC Government
“China Northwest Airlines”	中國西北航空公司 (China Northwest Airlines Company), a PRC enterprise wholly owned by the PRC Government
“China Southern Airlines”	中國南方航空股份有限公司 (China Southern Airlines Company), a joint stock limited company incorporated in the PRC and listed on the Stock Exchange and one of the Promoters of the Company
“China Southwest Airlines”	中國西南航空公司 (China Southwest Airlines Company), a PRC enterprise wholly owned by the PRC Government
“China Xinhua Airlines”	中國新華航空有限責任公司 (China Xinhua Airlines Company Limited), a limited liability company incorporated in the PRC and owned as to 51% by Hainan Airlines, 9% by HNA Group and 40% by 神華集團有限公司 (Shenhua Group Company Limited)
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong, as amended)
“Company”	海南美蘭機場股份有限公司 (Hainan Meilan Airport Company Limited), a joint stock limited company incorporated in the PRC on 28th December, 2000
“Company Law”	中華人民共和國公司法 (the Company Law of the PRC), as enacted by the Standing Committee of the Eighth NPC on 29th December, 1993 and become effective on 1st July, 1994, as amended, supplemented or otherwise modified from time to time
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“DFG”	海南海口美蘭機場免稅品有限公司 (Haikou Meilan Airport Duty-Free Shop Company Limited), a limited liability company incorporated in the PRC and a 95%-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“DKK”	Danske Kroner, the lawful currency of Denmark
“Domestic Shares”	domestic shares issued by the Company, the par value of which is denominated in Renminbi, and which are subscribed for in Renminbi

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“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Foreign Shares”	shares issued by the Company, the par value of which is denominated in Renminbi, and which are subscribed for in a currency other than Renminbi
“GDP”	gross domestic product
“Global Coordinator”	HSBC
“Golden City”	海南金城國有資產經營管理有限責任公司 (Hainan Golden City State-owned Assets Management Company Limited), a company established in the PRC
“Group”	the Company and its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, the present subsidiaries of the Company, or in respect of the period prior to the incorporation of the Company, the business of the Company and its subsidiaries conducted by Parent Company (as the case may be)
“H Shares”	overseas listed Foreign Shares of nominal value RMB1.00 each in the share capital of the Company, which are to be listed on the Stock Exchange and subscribed for in HK dollars
“HAC”	海南機場股份有限公司 (Hainan Airport Company Limited), a limited liability company established in the PRC
“Hainan Airlines”	海南航空股份有限公司 (Hainan Airlines Company Limited), a joint stock limited company incorporated in the PRC and one of the Promoters of the Company
“Hainan Asset Bureau”	海南省國有資產管理委員會 (Hainan State Asset Management Bureau)
“Hainan Food”	海南航空食品有限公司 (Hainan Airlines Food Company Limited), a company established in the PRC and 51% owned by Hainan Airlines
“Hainan Zhong Li Xin”	海南中力信資產評估有限公司 (Hainan Zhong Li Xin Asset Valuation Company Limited), an independent property valuer in the PRC
“HK\$” or “HK dollars” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HLAS”	海南蘭宇航空服務有限公司 (Hainan Lanyu Air Services Company), a company established in the PRC and 95% owned by Parent Company
“HNA Group”	海航集團有限公司 (HNA Group Company Limited), a company established in the PRC and one of the Promoters of the Company, which was previously named as 海航控股(集團)有限公司 (HNA Holdings (Group) Company Limited) or 海南海航控股有限公司 (Hainan HNA Holdings Company Limited)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, an exempt dealer under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong) and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“IAS”	International Accounting Standards
“IATA”	International Air Transport Association, an international association of airlines
“ICAO”	International Civil Aviation Organisation
“ICCT”	Industrial and Commercial Consolidated Tax
“International Placing”	the conditional placing of the International Placing Shares by the International Placing Underwriters, including the Strategic Placing, as described in the section headed “Structure of the Offering” in this prospectus
“International Placing Agreement”	the international placing agreement expected to be dated on or about 12th November, 2002 relating to the International Placing and expected to be entered into between the Company, Parent Company and the International Placing Underwriters
“International Placing Shares”	the H Shares being offered by the Company under the International Placing
“International Placing Underwriters”	HSBC, Oriental Patron, CITIC Capital Markets Limited, ICEA Capital Limited, ING Bank N.V., Nomura International (Hong Kong) Limited
“Joint Sponsors”	HSBC and Oriental Patron
“Latest Practicable Date”	31st October, 2002
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mandatory Provisions”	到境外上市公司章程必備條款 (the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas), for inclusion in the articles of association of companies incorporated in the PRC to be listed overseas, which were promulgated by the CSRC and the former State Restructuring Commission on 27th August, 1994, as amended and supplemented from time to time
“Meilan Advertising”	海南海口美蘭機場廣告有限公司 (Hainan Haikou Meilan Airport Advertising Company Limited), a 95%-owned subsidiary of the Company
“Meilan Airport”	the civil airport known as 海口美蘭機場 (Haikou Meilan Airport) located in Qiongsan City, Hainan Province, PRC
“Meilan International”	海口美蘭國際機場總公司 (Haikou Meilan International Airport Company Limited), a company established in the PRC and a wholly-owned subsidiary of HAC

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“Meilan Travelling”	海南美蘭機場旅行社有限責任公司 (Hainan Meilan Airport Travelling Company Limited), a company established in the PRC and a 60%-owned subsidiary of the Company
“MOF”	中國財政部 (the Ministry of Finance of the PRC)
“MOFTEC”	中國對外貿易經濟合作部 (the Ministry of Foreign Trade and Economic Cooperation of the PRC)
“New H Shares”	the 198,000,000 new H Shares to be issued as part of the Offer Shares by the Company for subscription at the Offer Price under the Offering
“Noise Pollution Prevention Law”	The Law of the PRC on the Prevention and Treatment of Noise Pollution (中華人民共和國噪聲污染防治法) adopted at the 22nd Session of the Standing Committee of the Eighth National People’s Congress on 29th October, 1996, as amended, supplemented or otherwise modified from time to time
“Notice Relating to Foreign Exchange Control Matters for Enterprises Listed Overseas”	關於境外上市企業外匯管理有關問題的通知 (the Notice Relating to Foreign Exchange Control Matters for Enterprises Listed Overseas), issued by the CSRC and MOFTEC in January 1994
“NPC” or “National People’s Congress”	全國人民代表大會 (the National People’s Congress)
“Offer Price”	the final offer price per H Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) at not more than HK\$3.79 and expected to be not less than HK\$3.15, such price to be agreed upon by the Company on the one part and the Joint Sponsors (on behalf of the Underwriters) on the other part at or before 5:00 p.m. on the Price Determination Date
“Offer Shares”	the Public Offer Shares and the International Placing Shares, together, where relevant, with any additional New H Shares issued pursuant to the exercise of the Over-allotment Option; the Offer Shares comprise the New H Shares and the Sale H Shares
“Offering” or “Global Offering”	the Public Offer and the International Placing
“Oriental Patron”	Oriental Patron Asia Limited, an investment adviser and a dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
“Over-allotment Option”	the option which is intended to be granted by the Company to the International Placing Underwriters pursuant to the International Placing Agreement to require the Company to issue and allot up to an aggregate of 25,213,000 additional H Shares at the Offer Price solely to cover over-allocations in the International Placing, if any

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“Parent Company”	海口美蘭機場有限責任公司 (Haikou Meilan Airport Company Limited), a company established in the PRC and the controlling shareholder of the Company
“Parent Group”	Parent Company and its subsidiaries, excluding the Group
“PBOC”	中國人民銀行 (the People’s Bank of China), the central bank of the PRC
“PBOC Notice”	關於進一步改革外匯管理體制的公告 (the Notice of the People’s Bank of China Concerning Further Reform of the Foreign Currency Control System) issued in December 1993
“PBOC Rate”	the exchange rate for foreign exchange transactions set daily by the People’s Bank of China based on the previous day’s PRC interbank foreign exchange rates
“PRC” or “China”	the People’s Republic of China. Except where the context requires, references in this prospectus to the PRC or China do not include Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan
“PRC GAAP”	Accounting Standards for Business Enterprises and Accounting Regulations for Enterprises in the PRC
“PRC Government”	the central government of the PRC including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
“Price Determination Agreement”	the agreement to be entered into between the Company and the Joint Sponsors, on behalf of the Underwriters, on the Price Determination Date to record the final Offer Price
“Price Determination Date”	the date, expected to be on or around 12th November, 2002 but no later than 14th November, 2002 (Hong Kong time), on which the Offer Price is fixed for the purpose of the Offering
“Promoters”	the parties to a promoters agreement dated 20th December, 2000 in relation to the promotion and incorporation of the Company, namely, Parent Company, Hainan Airlines, HNA Group, China Southern Airlines and Central South Aviation Development
“Public Offer”	the offer for subscription or purchase, as the case may be, of the Public Offer Shares in Hong Kong for cash, on and subject to the terms and conditions stated in this prospectus and in the application forms relating thereto
“Public Offer Shares”	the H Shares being offered for subscription or purchase under the Public Offer
“Public Offer Underwriters”	HSBC, Oriental Patron, CITIC Capital Markets Limited, ICEA Capital Limited, ING Bank N.V., Nomura International (Hong Kong) Limited
“Public Offer Underwriting Agreement”	the underwriting agreement dated 5th November, 2002 relating to the Public Offer entered into among, inter alia, the Company, Parent Company and the Public Offer Underwriters

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“Purchase Option Agreement”	the purchase option agreement dated 30th May, 2002 and amended on 25th October, 2002 between the Company and Parent Company in relation to options granted to the Company for purchase of assets from Parent Company
“Regulation S”	Regulation S under the US Securities Act
“Restructuring”	the incorporation of the Company on 28th December, 2000 as a joint stock limited company and the swap of certain assets and liabilities between Parent Company and the Company
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the US Securities Act
“SAFE”	中國國家外匯管理局 (the State Administration for Foreign Exchange of the PRC)
“Sale H Shares”	a total of 3,700,000 H Shares to be converted from an equal number of Domestic Shares of RMB1.00 each held by the Vendors, to be offered for sale by the Vendors as part of the Public Offer Shares at the Offer Price under the Public Offer
“Sanya Airport”	the civil airport known as 三亞鳳凰機場 (Sanya Phoenix Airport) located in Sanya City, Hainan Province, the PRC
“Sanya Management Contract”	the management contract entered into between the Company and SPIA on 23rd August, 2002
“SCATC”	中國民航中南管理局空中交通管理局 (South Central Air Traffic Control Bureau)
“SETC”	中國國家經濟貿易委員會 (the State Economic and Trade Commission of the PRC)
“SFC”	the Securities and Futures Commission
“Shan Xi Airlines”	山西航空有限責任公司 (Shan Xi Airlines Company Limited), a PRC limited liability company which is held as to 89% by Hainan Airlines
“Shareholders’ Agreement”	the conditional shareholders’ agreement entered into between the Strategic Investor, Parent Company and HNA Group on 16th September, 2002 in relation to the Company
“Shares”	Domestic Shares and H Shares
“Special Regulations”	國務院關於股份有限公司境外募集股份及上市的特別規定 (the PRC Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies), issued by the State Council on 4th August, 1994, as amended, supplemented or otherwise modified from time to time
“SPIA”	三亞鳳凰國際機場有限責任公司 (Sanya Phoenix International Airport Company Limited)

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“State”	the Central Government of the PRC
“State Council”	中國國務院 (the State Council of the PRC)
“State Development Planning Commission” or “SDPC”	中國國家發展計劃委員會 (the State Development Planning Commission of the PRC)
“State Plans”	plans devised or approved and implemented by various authorities of the State relating to the economic and social development of the PRC
“State Restructuring Commission”	中國國家經濟體制改革委員會 (the State Commission for Restructuring the Economic Systems of the PRC)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Investment Agreement”	the conditional agreement dated 16th September, 2002 and amended on 30th October, 2002 relating to the Strategic Placing entered into between the Company, the Strategic Investor and the Strategic Placing Underwriter
“Strategic Investor”	Copenhagen Airports A/S, a company duly incorporated under the laws of the Kingdom of Denmark and whose shares are listed on the Copenhagen Stock Exchange
“Strategic Placing”	the placing of the Strategic Placing Shares with the Strategic Investor as part of the International Placing
“Strategic Placing Shares”	such number of H Shares to be placed with the Strategic Investor as is equal to approximately 20% of the enlarged issued share capital of the Company immediately following completion of the Offering (including any exercise of the Over-allotment Option)
“Strategic Placing Underwriter”	HSBC
“Supervisors”	the members of the supervisory committee of the Company
“Technical Services Agreement”	the conditional technical services agreement entered into between CADI and the Company on 16th September, 2002 and amended on 30th October, 2002 in relation to the provision by CADI to the Company of certain technical and advisory services
“Terminal”	the terminal forming part of the Meilan Airport which commenced commercial operations on 25th May, 1999
“THIA”	海南通滙保險代理有限公司 (Hainan Tong Hui Insurance Agent Company Limited), a company established in the PRC
“Track Record Period”	the period comprising the three financial years ended 31st December, 2001 and the five months ended 31st May, 2002
“Underwriters”	the Public Offer Underwriters and the International Placing Underwriters

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“Underwriting Agreements”	the Public Offer Underwriting Agreement and the International Placing Agreement
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended
“US GAAP”	generally accepted accounting principles in the United States
“US Securities Act”	the US Securities Act of 1933, as amended
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“US” or “United States”	the United States of America
“Vendors”	China Southern Airlines and Central South Aviation Development
“WTO”	the World Trade Organisation
“Yangzi Express”	揚子江航空快運有限公司 (Yangzijiang Air Express Company Limited), a limited liability company established in the PRC which is held as to 85% by HNA Group, 10% by Shanghai Airport (Group) Company Limited and 5% by Hainan Airlines
“Yunnan Airlines”	雲南航空公司 (Yunnan Airlines Company), a PRC enterprise wholly owned by the PRC Government