

## Public Tender Offer

by

### HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd., Hong Kong

for all publicly held registered shares with a nominal value of CHF 5.00 each

of

### gategroup Holding Ltd, Kloten, Switzerland

#### Offer Price:

HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd., Hong Kong ("**Offeror**") offers **CHF 53.00** net in cash for each registered share of gategroup Holding Ltd, Kloten ("**gategroup**"), with a nominal value of CHF 5.00 each ("**gategroup Shares**", each a "**gategroup Share**").

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the gategroup Shares prior to the consummation of the Offer ("**Settlement**"), including, but not limited to, dividend payments, and other distributions of any kind, demergers and spin-offs, capital increases and the sale of treasury shares at an issuance or sales price per gategroup Share below the Offer Price and the issuance of options, warrants, convertible securities or other rights of any kind for the acquisition of gategroup Shares or other securities of gategroup and repayments of capital in any form.

#### Initial Acceptance Period:

From 6 June 2016 until 1 July 2016, 4:00 p.m. Central European Summer Time (CEST) (subject to any extension of the Initial Acceptance Period).

#### Financial Advisor and Offer Manager:

UBS AG.

#### Registered shares of gategroup Holding Ltd

Registered gategroup Shares **not tendered**  
(first trading line)

Securities No:  
10.018.595

ISIN:  
CH0100185955

Ticker Symbol:  
GATE

Registered gategroup Shares **tendered**  
(second trading line)

Securities No:  
32.360.039

ISIN:  
CH0323600392

Ticker Symbol:  
GATEE

Offer Prospectus dated 20 May 2016 ("**Offer Prospectus**")

## Offer Restrictions

### General

The public tender offer described in this Offer Prospectus ("**Offer**") is not being and will not be made, directly or indirectly, in any country or jurisdiction in which such Offer would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require Offeror or HNA Group (International) Co., Ltd., 26/F Three Pacific Place 1, Queen's Road East, Hong Kong, China or any of their direct and indirect subsidiaries (each direct or indirect subsidiary of HNA Group or of gategroup, including the Offeror in the case of HNA Group, hereinafter a "**Subsidiary**") to change or amend the terms or conditions of the Offer in any way, to make an additional filing with any governmental, regulatory or other authority or take additional action in relation to the Offer. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer must neither be distributed in any such countries or jurisdictions nor be sent to such countries or jurisdictions. Such documents must not be used for the purpose of soliciting the purchase of any securities of gategroup by any person or entity resident or incorporated in any such country or jurisdiction.

### Notice to U.S. Holders

The Offer described in this Offer Prospectus is being made for the registered shares of gategroup whose shares are listed on the SIX Swiss Exchange ("**SIX**"), and is subject to Swiss disclosure and procedural requirements, which are different from those in the United States ("**U.S.**"). The Offer is being made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act, and otherwise in accordance with the requirements of Swiss law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. U.S. holders of publicly held shares of gategroup are encouraged to consult with their own Swiss advisors regarding the Offer.

According to the laws of Switzerland, gategroup Shares tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for the gategroup Shares is launched.

In accordance with the laws of Switzerland and subject to applicable regulatory requirements, Offeror and its Subsidiaries or their nominees or brokers (acting as agents for Offeror) may from time to time after the date of the pre-announcement, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, gategroup Shares. These purchases, or arrangements to purchase, may occur either in the open market at prevailing prices or in private transactions at

negotiated prices and shall comply with applicable laws and regulations in Switzerland and applicable U.S. securities laws. Any such purchases will not be made at prices higher than the Offer Price or on terms more favorable than those offered pursuant to the Offer unless the Offer Price is increased accordingly. Any information about such purchases or arrangements to purchase will be publicly disclosed in the U.S. on the website of the Swiss Takeover Board (<http://takeover.ch/transactions/detail/nr/0630>) to the extent that such information is made public in accordance with the applicable laws and regulations of Switzerland. In addition, the financial advisors to Offeror and gategroup may also engage in ordinary course trading activities in securities of gategroup, which may include purchases or arrangements to purchase such securities.

It may be difficult for U.S. holders to enforce their rights and any claim arising out of U.S. securities laws, since each of Offeror and gategroup is located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a U.S. holder of gategroup Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each shareholder of gategroup is urged to consult his or her independent professional advisor immediately regarding the tax consequences of an acceptance of the Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any State of the U.S. has (a) approved or disapproved of the Offer; (b) passed upon the merits or fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in the pre-announcement. Any representation to the contrary is a criminal offence in the U.S.

### **United Kingdom**

The communication of this Offer Prospectus and any other offer documents relating to the Offer is directed only at persons in the U.K. who (i) have professional experience in matters relating to investments, (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

**Australia, Canada and Japan**

The Offer described in this Offer Prospectus is not addressed to shareholders of gategroup whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the Offer.

## **Public tender offer by HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd. for gategroup ("Offer")**

### **Background and Purpose of the Offer**

HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd. is a non-listed private company limited by shares incorporated and existing under the laws of the Hong Kong, Special Administrative Region of The People's Republic of China with its registered seat in Hong Kong, Special Administrative Region of The People's Republic of China, which has been established in view of the Offer. Offeror is an indirectly controlled subsidiary of HNA Aviation Group Co., Ltd., ("**HNA Aviation**") a company organized under the laws of The People's Republic of China, having its seat in Haikou, Hainan Province, The People's Republic of China.

HNA Aviation is a directly held subsidiary of HNA Group Co., Ltd., No. 7 Guoxing Road, Haikou, Hainan Province, The People's Republic of China ("**HNA Group**").

HNA Group is a Fortune Global 500 Corporation founded in 1993, with operations in the aviation sector, infrastructure and real estate, financial services, tourism, logistics and ecological technology. HNA Group has a strong track record in investing in international companies, with a focus on the fast growing Asian markets. As of 31 December 2015, HNA Group had revenues of RMB 190 billion (CHF 28.5 billion), total assets of RMB 600 billion (CHF 90 billion) and total employees of more than 180,000.

gategroup is a Swiss corporation (*Aktiengesellschaft*) with its registered seat in Kloten, Switzerland. The gategroup Shares have been traded on SIX (Ticker Symbol: GATE) since 12 May 2009. gategroup is a leading provider of catering and logistics services for the aviation industry and is organised in the following four business segments: (i) EMEA (Europe, Middle East, Africa and the Commonwealth of Independent States), (ii) North America, (iii) Latin America, and (iv) Asia Pacific. Through all of these business segments, gategroup is able to tailor their offering to traditional full-service and low-cost carriers, in premium and economy cabins, for short-haul and long-haul services, and for adjacent markets, such as executive aviation, rail and retail.

On 10 April 2016, HNA Group and gategroup entered into a transaction agreement ("**Transaction Agreement**") pursuant to which HNA Group agreed to submit, either directly or through a direct or indirect subsidiary, the Offer. In return, the board of directors of gategroup agreed under the Transaction Agreement to recommend to gategroup's shareholders to accept the Offer. By means of the Offer, Offeror intends to obtain full control over gategroup and its Subsidiaries (see Section D 3.1 (*Agreements between HNA Group and gategroup*)). Furthermore, after the Settlement, Offeror intends to delist the gategroup Shares.

## A The Offer

### 1 Pre-Announcement

A pre-announcement ("**Pre-Announcement**") of the Offer pursuant to this Offer Prospectus by Offeror has been made in accordance with articles 5 et seq. of the Swiss Takeover Board's Ordinance on Tender Offers (*Verordnung der Übernahme-kommission über öffentliche Kaufangebote*; the "**Takeover Ordinance**"). The Pre-Announcement was published on 11 April 2016 before the opening of trading at SIX on [http://www.hnagroup.com/en/discl/HNA\\_Website/legal.html](http://www.hnagroup.com/en/discl/HNA_Website/legal.html) and was disseminated in electronic form to the financial information service providers and the Swiss Takeover Board.

### 2 Object of the Offer

Except as set forth below and subject to the Offer Restrictions, the Offer extends to all publicly held gategroup Shares. The Offer does not extend to the gategroup Shares held by gategroup or any of its Subsidiaries as treasury shares nor to gategroup Shares held by HNA Group or any of its Subsidiaries.

Accordingly, the Offer relates to a maximum number of 26,577,181 gategroup Shares, calculated per 18 May 2016 as follows:

	Shares
Number of listed gategroup Shares (according to the number of shares registered with the commercial register as of 13 May 2016)	26,786,336
- gategroup Shares held by HNA Group or any of its Subsidiaries	0
- minus the own shares of gategroup or any of its Subsidiaries (according to information provided by gategroup)	- 668,190
- plus new gategroup Shares to be issued out of gategroup's authorized or conditional share capital and/or own shares of gategroup to be awarded in each case in connection with gategroup's equity incentive plans (according to information provided by gategroup)	+ 459,035
<b>gategroup Shares subject to the Offer</b>	<b>26,577,181</b>

gategroup agreed with HNA Group that gategroup will not, and that it will procure that its Subsidiaries will not, sell, from the date of the Transaction Agreement (as described in Section D 3.1 (*Agreements between HNA Group and gategroup*)) until the date that is six (6) months after the end of the Additional Acceptance Period (as defined in Section A 6 (*Additional Acceptance Period*)), any gategroup Shares.

### 3 Offer Price

The offer price for each gategroup Share ("**Offer Price**") amounts to CHF 53.00 net in cash. In addition, the Offer allowed for dividend payments to holders of gategroup Shares in the aggregate amount of CHF 0.30 per gategroup Share for the financial year ended 31 December 2015 as resolved by the ordinary general meeting on 14 April 2016.

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the gategroup Shares prior to the Settlement, including, but not limited to, dividend payments and other distributions of any kind, demergers and spin-offs, capital increases and the sale of treasury shares at an issuance or sales price per gategroup Share below the Offer Price, the issuance of options, warrants, convertible securities or other rights of any kind for the acquisition of gategroup Shares or other securities of gategroup and repayments of capital in any form.

The Offer Price implies a premium of 36.99%, to the volume-weighted average price of all on-exchange transactions in gategroup Shares executed on SIX during the sixty (60) SIX trading days (each a "**Trading Day**") prior to the publication of the Pre-Announcement (which amounts to CHF 38.69). Also, the Offer Price implies a premium of 20.18%, to the on-exchange closing price of the gategroup Share on the SIX on 8 April 2016 (the Trading Day immediately prior to the publication of the Pre-Announcement), which amounted to CHF 44.10.

The gategroup Share is considered to be a liquid security for the purposes of the application of the minimum price rules stipulated in stock exchange laws (i.e. *no* valuation of the gategroup Share by the review body is required).

The performance of the gategroup Shares on the SIX since 2012 is as follows (prices in CHF refer to the lowest and highest closing price):

<b>gategroup Share</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016**</b>
Low*	22.00	16.60	18.15	24.35	32.80
High*	33.40	25.55	29.40	44.10	44.75

\* Daily closing price in CHF

\*\* 1 January 2016 to 8 April 2016 (the last Trading Day prior to the Pre-Announcement)

Volume-weighted average price over the past sixty (60) Trading Days prior to 11 April 2016 (day of the publication of the Pre-Announcement): CHF 38.69

Closing price on 8 April 2016 (last Trading Day prior to the publication of the Pre-Announcement): CHF 44.10

Source: SIX, Bloomberg

#### 4 Cooling-off Period

If not extended by the Swiss Takeover Board, a cooling-off period of ten (10) Trading Days will run from publication of the Offer Prospectus, i.e. it is expected to run from 23 May 2016 to 3 June 2016 ("**Cooling-off Period**"). The Offer may be accepted only after expiration of the Cooling-off Period.

#### 5 Initial Acceptance Period

With the publication of this Offer Prospectus on 20 May 2016, the Offer will remain open for acceptance, after the expiration of the Cooling-off Period, for a period of twenty (20) Trading Days. Consequently, the Offer is expected to be open for acceptance from 6 June 2016 to 1 July 2016, 4:00 p.m. CEST ("**Initial Acceptance Period**").

Offeror reserves the right to extend the Initial Acceptance Period once or several times to a maximum of forty (40) Trading Days. An extension of the Initial Acceptance Period beyond forty (40) Trading Days would require the prior consent of the Swiss Takeover Board.

#### 6 Additional Acceptance Period

After the expiration of the (possibly extended) Initial Acceptance Period and if the Offer is declared successful (*zustande gekommen*), there will be an additional acceptance period of ten (10) Trading Days for the subsequent acceptance of the Offer.

If the Cooling-off Period is not extended by the Swiss Takeover Board and if the Initial Acceptance Period is not extended, the additional acceptance period is expected to run from 8 July 2016 to 21 July 2016, 4:00 p.m. CEST ("**Additional Acceptance Period**").

#### 7 Offer Conditions, Waiver of Offer Conditions, Period for which the Offer Conditions are in Force and Effect and Postponement

##### 7.1 Offer Conditions

The Offer is subject to each of the following conditions ("**Offer Conditions**"):

- a) Minimum Acceptance Level: By the end of the (possibly extended) Initial Acceptance Period, the Offeror shall have received valid and irrevocable acceptances for such number of gategroup Shares, when combined with the gategroup Shares HNA Group and its Subsidiaries will own at the end of the (possibly extended) Initial Acceptance Period (but not including gategroup Shares held by gategroup or any of its Subsidiaries at that point in time), at least 67% of all gategroup Shares that will be issued at the end of the (possibly extended) Initial Acceptance Period.



- b) Merger Clearances and Other Approvals: All waiting periods applicable to the acquisition of gategroup by the Offeror shall have expired or been terminated and all competent merger control and other authorities in all relevant jurisdictions and, if applicable, courts shall have approved the Offer, its Settlement and the acquisition of gategroup by the Offeror, without imposing any condition or undertaking on HNA Group and/or gategroup and/or any of their respective Subsidiaries or making their approvals subject to the satisfaction of any condition or undertaking that, individually or together with any other condition or undertaking or other circumstances or events, in the opinion of an independent accounting firm or investment bank of international repute to be appointed by the Offeror ("**Independent Expert**"), is reasonably likely to have any of the following effects ("**Material Adverse Effect**") on HNA Group and/or gategroup and/or any of their respective Subsidiaries:
- (i) A reduction of the annual consolidated earnings before interest, taxes and amortization (EBITA) of CHF 9.3 million – corresponding to 10% of the consolidated EBITA of gategroup group in the financial year 2015 as per gategroup's annual report 2015 – or more; or
  - (ii) a reduction of the annual consolidated sales of CHF 250 million – corresponding to 8.3% of the consolidated sales of gategroup group in the financial year 2015 as per gategroup's annual report 2015 – or more; or
  - (iii) a reduction of the consolidated shareholders' equity of CHF 23 million – corresponding to 10% of the consolidated shareholders' equity of gategroup group as at 31 December 2015, as per gategroup's annual report 2015 – or more.
- c) No Material Adverse Effect: By the end of the (possibly extended) Initial Acceptance Period, no circumstances or events shall have occurred, and no circumstances or events shall have been disclosed by gategroup or otherwise come to the Offeror's attention which, individually or together with any conditions or undertakings or other circumstances or events, in the opinion of the Independent Expert, have a Material Adverse Effect on the gategroup group.
- d) Resignation and Election of Members of the Board of Directors of gategroup: (i) All incumbent members of the board of directors of gategroup shall have resigned from their functions on the board of directors of gategroup and its Subsidiaries at least with effect from the Settlement, and (ii) a duly convened extraordinary shareholders meeting of gategroup shall have elected the individuals designated by HNA Group or the Offeror to the board of directors of gategroup, board members representing the HNA Group with effect as of the Settlement (and no other person shall have been elected as member of the board of directors of gategroup).

- e) Registration in the Share Register of gategroup: The board of directors of gategroup shall have resolved to register the Offeror and/or any other company controlled and designated by HNA Group in the share register of gategroup as shareholder(s) with voting rights with respect to all gategroup Shares HNA Group or any of its Subsidiaries has acquired or may acquire (with respect to gategroup Shares to be acquired in the Offer subject to all other conditions of the Offer having been satisfied or waived), and the Offeror and/or any other company controlled and designated by HNA Group shall have been so recorded in the share register of gategroup.
- f) No Adverse Resolutions of the General Meeting of Shareholders of gategroup: No meeting of shareholders of gategroup shall have
  - (i) resolved or approved any dividend, other distribution or capital reduction or any acquisition, spin-off (*Abspaltung*), transfer of assets and liabilities (*Vermögensübertragung*) or other disposal of assets (x) with an aggregate value or for an aggregate consideration of more than CHF 139 million (corresponding to 10% of the consolidated assets of gategroup group as of 31 December 2015 as per gategroup's annual report 2015), or (y) contributing in the aggregate more than CHF 9.3 million to the EBITA (corresponding to 10% of the EBITA of gategroup group in the financial year 2015 as per gategroup's annual report 2015);
  - (ii) resolved or approved any merger, demerger (*Aufspaltung*) or ordinary, authorized or conditional increase of the share capital of gategroup; or
  - (iii) adopted an amendment of the articles of association of gategroup to introduce any transfer restrictions (*Vinkulierungsbestimmungen*) or voting limitations (*Stimmrechtsbeschränkungen*).
- g) No Obligation to Acquire or Sell Material Assets or to Incur or Repay Material Indebtedness: With the exception of the obligations that have been made public prior to the date of the Pre-Announcement or that are related to the Offer or arise from its Settlement, between 31 December 2015 and the transfer of control to the Offeror, gategroup and its Subsidiaries shall not have undertaken to acquire or sell any assets or incur or repay any indebtedness in the aggregate amount or value of more than CHF 139 million (corresponding to 10% of the consolidated assets of gategroup group as of 31 December 2015, as per gategroup's annual report 2015).
- h) No Injunction: No judgment, decision, order or other authoritative measure shall have been issued preventing, prohibiting or declaring illegal the Offer or its consummation.

## **7.2 Waiver of Offer Conditions**

The Offeror's right to waive, in whole or in part, one or more of the Offer Conditions is reserved.

## **7.3 Period for which the Offer Conditions are in Force and in Effect and Postponement**

Conditions (a) and (c) shall be in force and in effect until the publication of the Definitive Notice of the Interim Result (as defined in Section J). Conditions (b), (f), (g) and (h) shall be in force and effect until Settlement. Conditions (d) and (e) shall be in force and effect until the Settlement or, with respect to the resolutions of corporate bodies mentioned therein, if earlier, until the date when the respective corporate body of gategroup has taken the required resolution.

If any of the conditions (a) and (c) or, if the respective corporate body of gategroup resolves on the matters specified in conditions (d) and (e) prior to the expiration of the (possibly extended) Initial Acceptance Period, any of the conditions (d) and (e) (with respect to the resolutions of corporate bodies mentioned therein) have not been satisfied or waived by the end of the (possibly extended) Initial Acceptance Period, the Offeror has the right to declared the Offer as unsuccessful.

If any of the conditions (b), (d), (e), (f), (g) or (h) have not been satisfied or waived by the date of Settlement, Offeror shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four (4) months after the expiration of the Additional Acceptance Period ("**Postponement**"). During the Postponement, the Offer shall continue to be subject to the conditions (b), (f), (g) and (h) and, if and to the extent still applicable (see preceding paragraphs), the conditions (d) and (e), as long as, and to the extent, such conditions have not been satisfied or waived. Unless Offeror applies for, and the Swiss Takeover Board approves, an additional postponement of the Settlement, Offeror will declare the Offer unsuccessful if such conditions have not been satisfied or waived during the Postponement.

## **B Information on HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd. (Offeror)**

### **1 Name, Domicile, Share Capital, Shareholders and Business Activity**

HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd. (or Offeror) is a non-listed private company limited by shares incorporated and existing under the laws of the Hong Kong, Special Administrative Region of The People's Republic of China with its registered seat in Hong Kong, Special Administrative Region of The People's Republic of China, and is registered with the Hong Kong Company Register under the number 2373037. Offeror was founded on 6 May 2016 and has a share capital of HK\$ 10,000.00, divided into 10,000 shares with a nominal value of HK\$ 1.00

each. The Offeror was established for an indefinite period of time. The purpose of Offeror is to hold the gategroup Shares to be acquired with the Offer and to engage in any other business permitted under law.

Offeror is an indirectly controlled subsidiary of HNA Aviation. HNA Aviation is a core entity of HNA Group, with a focus on investing in and managing aviation and aviation-related enterprises (see for the group structure of HNA Aviation Section B 2 (*Persons acting in concert with Offeror*)). Based on its cluster of existing portfolio companies, HNA Aviation seeks the global expansion across the entire value chain by establishing an increased presence in related industries such as maintenance technology, ground support, aviation logistics and catering.

HNA Aviation is directly held and controlled by HNA Group. HNA Group is directly and indirectly controlled by Hainan Airlines Company Limited Employees Union Committee ("**HNA Employees Union**") and Hainan Province Cihang Foundation ("**Cihang Foundation**"), which together own approximately 70.25% ownership interest in HNA Group. Two individuals own the remaining approximately 29.75% of HNA Group.

HNA Employees Union is a legal person organized under the laws of The People's Republic of China, doing business for the sole benefit of all employees of Hainan Airlines Company Limited ("**Hainan Airlines**"), an air carrier duly licensed by the relevant Chinese authorities, and a public company the shares of which are listed and traded on China's Shanghai Stock Exchange (*SSE - Shanghai Stock Exchange*). Under the relevant Chinese law including the Labor Union Law of The People's Republic of China, all current employees of Hainan Airlines automatically become members and beneficiaries of HNA Employees Union. Hainan Airlines currently has approximately ten thousand employees. Therefore no single employee owns more than 3% of beneficial interest in such union. HNA Employees Union indirectly owns approximately 47.50% of HNA Group.

Cihang Foundation is a non-profit organization and does not have any individual owners. All its assets and all revenues derived from such assets are owned exclusively by Cihang Foundation and must be used to serve charitable and educational purposes. If Cihang Foundation is dissolved, all its assets must be transferred to another foundation with similar functions and purposes in accordance with its charter and the Foundation Control Measures Law of The People's Republic of China. Cihang Foundation indirectly owns approximately 22.75% of HNA Group.

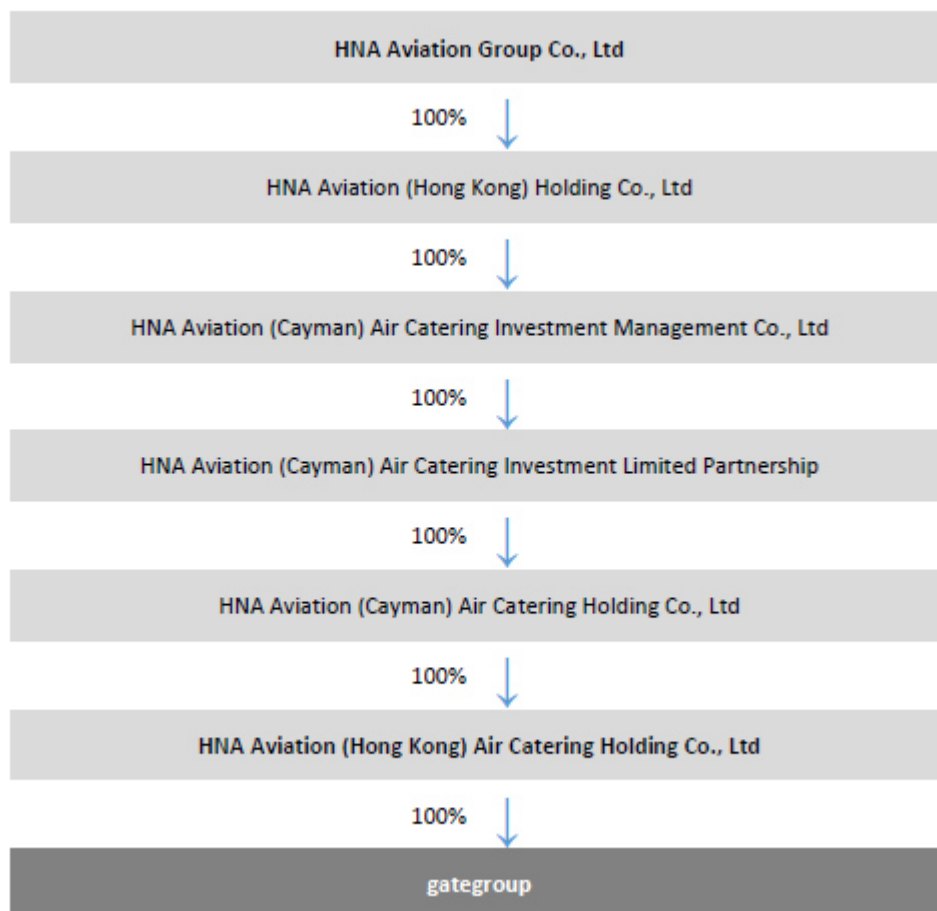
Bharat Bhisé, a citizen and resident of the United States of America and living in New York City, indirectly owns approximately 17.40% of HNA Group.

Jun Guan, a citizen and resident of The People's Republic of China, living in Beijing, China, indirectly owns approximately 12.35% of HNA Group.

## 2 Persons acting in concert with Offeror

In connection with this Offer, all companies and persons (directly or indirectly) controlled by HNA Group (and the persons controlling HNA Group) are deemed to be acting in concert with Offeror. This also applies to gategroup and all companies and persons (directly or indirectly) controlled by gategroup for the time period after 10 April 2016, the date on which HNA Group and gategroup have signed the Transaction Agreement described in Section D 3.1 (*Agreements between HNA Group and gategroup*).

In view of the Offer, the following structure is in place:



Annex 1 to this Offer Prospectus lists the main group companies of HNA Group.

## 3 Annual Reports

Offeror is a privately held company limited by shares and does not publish annual reports. Offeror has an equity capital of HK\$ 10,000.00. These numbers are based on the Offeror's articles of association filed with the Hong Kong Company Registrar.

#### **4 Purchases and Sales of Securities of gategroup**

During the twelve (12) months period preceding the date of the Pre-Announcement, HNA Group and its Subsidiaries (including the Offeror) and the persons acting in concert with it (excluding gategroup and its Subsidiaries) did not purchase or sell any gategroup Shares. During the same period, HNA Group and its Subsidiaries (including the Offeror) and the persons acting in concert with it (excluding gategroup and its Subsidiaries) did not purchase or sell any equity derivatives with respect to gategroup Shares. Following the date of the Pre-Announcement until 13 May 2016, HNA Group and its Subsidiaries (including the Offeror) and the persons acting in concert with it (excluding gategroup and its Subsidiaries) did not purchase or sell any gategroup Shares and did not purchase or sell any equity derivatives with respect to gategroup Shares.

According to gategroup, since 10 April 2016, the date on which HNA Group and gategroup have signed the Transaction Agreement described in Section D 3.1 (*Agreements between HNA Group and gategroup*) until 13 May 2016 neither gategroup nor any of its direct and indirect Subsidiaries have purchased or sold any gategroup Shares or equity derivatives with respect to gategroup Shares.

#### **5 Participations in gategroup**

As of 13 May 2016, a total of 26,786,336 gategroup Shares were issued. The gategroup Shares are listed pursuant to the International Reporting Standard of SIX. As of 13 May 2016, the share capital of gategroup (as registered with the commercial register as of 9 May 2016) amounts to CHF 133,931,680.00.

HNA Group and its Subsidiaries (including the Offeror) and the persons acting in concert with HNA Group (excluding a total of 668,190 own shares held by gategroup) did not as of 13 May 2016 hold any gategroup Shares. Taking into consideration the 668,190 gategroup Shares held by gategroup, HNA Group, its Subsidiaries (including the Offeror) and all persons acting in concert with Offeror hold (as of 13 May 2016) 2.49% of the share capital (and the voting rights) of gategroup.

HNA Group and its Subsidiaries (including the Offeror) and the persons acting in concert with Offeror held no equity derivatives with respect to gategroup Shares.

### **C Financing**

The Offer will be financed through own funds of HNA Group and/or its Subsidiaries (of up to an equivalent of around CHF 1,409 million).

## **D Information on gategroup (Target Company)**

### **1 Name, Domicile, Share Capital, Business Activity and Annual Report**

gategroup is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland for an indefinite period with its domicile in Kloten, Switzerland. Its main corporate purpose is to acquire, to hold, to administer continuously and to sell participations in national and international companies, in particular in the areas of catering, hospitality, transportation and related industries.

As of 13 May 2016, gategroup has a share capital of CHF 133,931,680.00, divided into 26,786,336 registered shares with a nominal value of CHF 5.00 each.

Authorized share capital: gategroup has an authorized share capital of CHF 13,277,065.00 authorizing the board of directors of gategroup to issue up to 2,655,413 fully paid up registered shares with a nominal value of CHF 5.00 per registered share by no later than 14 April 2018.

Conditional share capital: gategroup has a conditional share capital in the aggregate amount of CHF 11,745,885.00. gategroup's share capital may be increased (i) in an amount not to exceed CHF 1,906,775.00 by the issuance of up to 381,355 fully paid-up registered shares with a nominal value of CHF 5.00 each through the exercise of options which the employees or members of the board of directors of gategroup or one of its Subsidiaries are granted according to the respective regulations of the board of directors and (ii) in an amount not to exceed CHF 9,839,110.00 by the issuance of up to 1,967,822 fully paid-up registered shares with a nominal value of CHF 5.00 each through the exercise of conversion and/or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by gategroup or one of its Subsidiaries, and/or by the exercise of options which are granted by gategroup or one of its Subsidiaries.

The gategroup Shares are listed pursuant to the International Reporting Standard of SIX under Swiss Security Number 10.018.595 (ISIN CH0100185955; Ticker Symbol: GATE).

The annual report of gategroup (including the financial report, the corporate governance report and the compensation report for the business year ended 31 December 2015) was published on 10 March 2016 and is available at <http://www.gategroup.com/investors/financial-reports-and-presentations>.

## **2 Intentions of the Offeror and HNA Group with respect to gategroup, its Board of Directors and its Management**

By the Offer, HNA Group intends to obtain full (100%) control of gategroup.

Following completion of the Offer, HNA Group intends to operate gategroup as an independent portfolio company within HNA Aviation Group, providing the gategroup's management with entrepreneurial autonomy, offering gategroup full support from the group level and also enabling collaboration between gategroup and other HNA Group companies. Against this background, HNA Group together with gategroup will evaluate strategic options to expand HNA Aviation's businesses (including carrying out further investments for the further development of HNA Aviation and its Subsidiaries).

Offeror intends to replace the members of the board of directors of gategroup as per the Settlement. gategroup procured in the Transaction Agreement that all incumbent members of gategroup's board of directors shall resign from their functions on the board of directors of gategroup with effect from the Settlement and that it will convene an extraordinary shareholders' meeting of gategroup and to propose the election of the persons to gategroup's board of directors designated by Offeror.

HNA Group does not envisage changing the top management of gategroup.

In the event that Offeror holds more than 98% of the voting rights in gategroup after the Settlement, Offeror intends to apply for the cancellation of the remaining gategroup Shares in accordance with article 137 FMIA.

In the event that Offeror, as a consequence of the Offer, holds between 90% and 98% of the voting rights in gategroup after the Settlement, Offeror intends to merge gategroup with Offeror resp. a Swiss company directly or indirectly controlled by HNA Group whereby the remaining public shareholders of gategroup would be compensated (in cash) and not receive any shares in the surviving company. The Swiss tax consequences resulting from a squeeze-out merger with a cash-only consideration may be considerably worse for individuals who are resident in Switzerland for tax purposes and hold the gategroup Shares as their private assets (*Privatvermögen*) and for foreign investors compared to the tax consequences of an acceptance of the Offer (see also Section I 7 (*Possible Tax Consequences*)).

After the Settlement of the Offer and irrespective of the acceptance level, the Offeror intends to have gategroup submit an application to SIX for the de-listing of the gategroup Shares in accordance with the listing rules of SIX and for an exemption from certain disclosure and publicity obligations under the listing rules of SIX until the date of de-listing of the gategroup Shares.



### 3 Agreements between HNA Group, Offeror and gategroup, its Corporate Bodies and Shareholders

#### 3.1 Agreements between HNA Group and gategroup

##### ***Confidentiality Agreement***

On 21 December 2015, HNA Group (see structure chart in Section B 2 (*Persons acting in concert with Offeror*)) and gategroup entered into a confidentiality agreement customary for this type of transaction, pursuant to which the parties essentially agreed to treat any non-public information which may be exchanged between them as confidential.

##### ***Transaction Agreement***

On 10 April 2016, HNA Group and gategroup entered into the Transaction Agreement, which was unanimously approved by gategroup's board of directors and which provides for the following main terms (the following is a summary of the main terms):

- HNA Group agreed to cause the Offeror to submit the Offer and gategroup and its board of directors, respectively, agreed to support the Offer and to unconditionally recommend to its shareholders the acceptance of the Offer, among other things, by way of its recommendation contained in the board report included in Section F (*Report of the Board of Directors of gategroup pursuant to Article 132 FMIA*).
- During the term of the Transaction Agreement, gategroup may not solicit any third party proposal or transaction which may compete with the Offer. However, gategroup may, in response to an unsolicited public tender offer for all of the gategroup Shares which gategroup's board of directors determines in good faith and in accordance with its statutory fiduciary duties to be more favorable to the holders of gategroup Shares than the Offer ("**Superior Offer**"), furnish such third party with information and participate in discussions with such third party. The board of directors of gategroup is not permitted to change its recommendation of the Offer, to recommend a third party transaction or to enter into an agreement related thereto, except in connection with a Superior Offer after providing Offeror at least five (5) calendar days to submit an offer for an improved Offer such that Offeror's improved Offer is at least as favorable to the holders of gategroup Shares as such Superior Offer.
- gategroup agreed to pay Offeror an amount equivalent to CHF 15 million (such amount reflecting costs paid to advisors, banks or other third parties plus any internal costs in connection with the transaction contemplated hereunder), if the Offer is not successful or does not become unconditional because a third party declaring a competing offer for the gategroup Shares

successful or a Restricted Transaction being consummated. A "Restricted Transaction" is defined in the Transaction Agreement as a (potential) acquisition in whole or in part of any gategroup Shares or other securities of gategroup or any of gategroup's or its Subsidiaries' material assets or businesses, whether directly or indirectly, through a public offer, purchase of shares or other securities or assets, merger, consolidation or otherwise or any other transaction, which may compete with the Offer or substantially change the businesses, assets, liabilities or prospects of gategroup or its Subsidiaries or the value of the gategroup Shares for HNA Group.

- The parties have entered into customary undertakings to pursue the satisfaction of the Offer Conditions.
- gategroup agreed to operate its business in the ordinary course of business and consistent with prior practice and the current budget and business plan, and to execute or enter into certain transactions only with the consent of Offeror, to the extent permissible under applicable laws and regulatory requirements.
- gategroup agreed that without the prior written consent of HNA Group it will not amend, alter or terminate any of the executive long-term incentive plans and confirmed that at the date of the Transaction Agreement it has not issued any shares, options or other entitlements in gategroup except for those gategroup Shares and options as outlined in the board report included in Section F (*Report of the Board of Directors of gategroup pursuant to art. 132 FMIA*).
- gategroup made certain customary representations and warranties.
- The Transaction Agreement may be terminated in specified circumstances, including (i) by HNA Group or gategroup, if Offeror publicly declares that the Offer will not be further pursued or has failed or if Offeror otherwise withdraws from launching, continuing or settling the Offer, if so permitted by applicable laws; (ii) by HNA Group if a competing offer to the Offer is declared successful by the competing bidder; (iii) by HNA Group or gategroup upon the pre-announcement (in accordance with Swiss takeover laws and regulations) or launch of a Superior Offer unless HNA Group or Offeror (y) proposes in writing, within five (5) calendar days of the pre-announcement or launch of such Superior Offer, to improve the terms and conditions of the Offer such that the Offer is at least as favorable as such Superior Offer, and (z) publicly announces such improvement of the Offer within the afore mentioned period of five (5) calendar days; (iv) by HNA Group or gategroup in case that the satisfaction of any of the Offer Conditions have become impossible or if not all Offer Conditions are met by 31 December 2016; or (v) by HNA Group if gategroup's board (x) fails to unconditionally recommend the Offer to the shareholders of gategroup, or (y) withdraws or modifies its board report or its recommendation of the Offer or makes an announcement to that effect,

or (z) recommends a third party offer or makes an announcement to that effect.

- Following the execution of the Transaction Agreement, gategroup is not permitted to pay any dividends, except for the ordinary dividend for the business year ended on 31 December 2015 of CHF 0.30 per gategroup Share.
- gategroup agreed to procure that, effective as of the Settlement of the Offer, all members of gategroup's board of directors shall resign as members thereof unless asked by HNA Group to serve as board members beyond Settlement of the Offer.
- gategroup agreed to invite for an extraordinary shareholders' meeting of gategroup and schedule, propose and recommend the election to the board of directors of gategroup as chairman and/or members of the individuals proposed by HNA Group or Offeror.
- Offeror agreed to vote in favor of a discharge resolution for all those directors who resign from their functions as per the respective resignation date.
- gategroup agreed to promptly register the Offeror in gategroup's share register as shareholder with voting rights with respect to all gategroup Shares that the HNA Group or Offeror has acquired or may acquire in the Offer or otherwise.
- gategroup agreed to provide Offeror and/or its representatives and advisors with certain information and data with respect to gategroup and grant access to the management and advisors as well as service providers of gategroup as reasonably requested to (i) prepare any regulatory filings; (ii) procure or verify the satisfaction of the conditions to this Offer; and (iii) prepare the implementation and settlement of the Offer (including, but not limited, to secure refinancing transactions).

### **3.2 No other Agreements**

Except for the agreements summarized above, no agreements in relation to the Offer exist between HNA Group and its Subsidiaries (including the Offeror) on the one hand, and gategroup, its Subsidiaries and their directors, officers and shareholders on the other hand.

## **4 Confidential Information**

Offeror confirms in the sense of art. 23 para 2 Takeover Ordinance that neither HNA Group nor any person acting in concert with HNA Group or its Subsidiaries (including the Offeror) has received, directly or indirectly, from gategroup and its Subsidiaries, except as publicly disclosed in this Offer Prospectus, the report of the

board of directors of gategroup or otherwise, any confidential information regarding gategroup which could significantly influence the decision of the recipients of the Offer.

**E Report of the Review Body according to art. 128 FMIA dated 19 May 2016**

**Report of the review body according to Art. 128 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("FMIA")**

As a review body recognized according to the FMIA to review public takeover offers, we have reviewed the offer prospectus of HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd. ("Offeror"). The report of the board of directors of the target company and the Fairness Opinion of N+1 Swiss Capital AG were not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law.

Our review was conducted in accordance with the standards promulgated by the Swiss profession, which require that a review according to article 128 FMIA be planned and performed to verify the formal completeness of the offer prospectus according to the FMIA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from material misstatement in consequence of violation or errors. It has to be noted that ciphers 4 to 7 below cannot be reviewed with the same assurance as ciphers 1 to 3. We have examined the information in the offer prospectus by means of analyses and ascertainties on a test basis. Furthermore, we have verified the compliance with the FMIA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion

1. the Offeror has taken the necessary measures in order that the required funds will be available on the closing date;
2. the provisions governing obligatory offers, in particular those governing the minimum price, have been observed;
3. the Best Price Rule has been observed until 19 May 2016.

Moreover, we have not encountered any facts from which we had to infer that:

4. the recipients of the Offer are not treated equally;

5. the offer prospectus is not complete and accurate according to the provisions of the FMIA and its ordinances;
6. the offer prospectus is not in accordance with the FMIA and its ordinances;
7. the provisions regarding the effects of the pre-announcement have not been observed.

This report is neither a recommendation to accept or to reject the offer nor is it a confirmation (*fairness opinion*) with regard to the financial adequacy of the offer price.

Ernst & Young Ltd

Louis Siegrist

Dr. Jvo Grundler

## **F Report of the Board of Directors of gategroup pursuant to art. 132 FMIA**

### **Report of the Board of Directors of gategroup Holding AG on the Public Tender Offer of HNA Group Co., Ltd.**

The board of directors of gategroup Holding AG (**gategroup** or the **Company**) hereby comments pursuant to article 132 para. 1 FMIA and articles 30-32 of the Takeover Ordinance on the public tender offer (the **Offer**) of HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd., Hong Kong (the **Offeror**), an indirect controlled subsidiary of HNA Group Co., Ltd., Haikou, The People's Republic of China (**HNA Group**), for all publicly-held registered shares with a nominal value of CHF 5.00 each of gategroup (the **gategroup Shares**) as follows:

## **I Recommendation**

Based on an in-depth review of the Offer and taking into account the results of the Fairness Opinion of N+1 Swiss Capital AG, Zurich (**N+1 Swiss Capital**) (cf. section II1 hereafter), the board of directors of gategroup (the **Board**) has unanimously resolved to recommend to the shareholders of gategroup to accept the Offer.

## **II Explanation**

Prior to the Offer, the Board examined together with the gategroup management and external consultants in detail the short- and long-term prospects of gategroup as a stand-alone independent company and the benefits of a combination with HNA Group. Based on this analysis the Board believes that a combination with HNA

Group compared to other alternatives will result in considerable strategic, operational and financial benefits for gategroup.

## 1 Offer Price

The offer price offered by the Offeror under the Offer amounts to CHF 53 net in cash per gategroup Share (the **Offer Price**). This represents a premium of 36.99% compared to the volume-weighted average price (**VWAP**) of the gategroup Shares of the last 60 trading days prior to the publication of the pre-announcement on 11 April 2016.

The Board has mandated N+1 Swiss Capital with the preparation of a fairness opinion to assess the adequacy of the Offer Price (the **Fairness Opinion**). In summary, N+1 Swiss Capital valued the business by means of a discounted cash flow analysis (**DCF Analysis**). As a plausibility check of the results of the DCF Analysis, further valuation methods (analysis of comparable companies and transactions) and the analysis of the performance of the share price and analyst ratings were used. Based on the various valuation methods, N+1 Swiss Capital determined the following value ranges per gategroup Share:

- CHF 47.0 to 56.8 by applying the DCF Analysis;
- CHF 46.5 to 61.4 by applying the analysis of comparable companies;
- CHF 33.0 to 43.8 by applying the analysis of comparable transactions;
- CHF 40.0 to 52.4 pursuant to analysts' ratings; and
- CHF 48.4 to 52.2 by applying a takeover premium range of 25% to 35% evidenced in precedent transactions to the 60-day VWAP as of 8 April 2016.

Pursuant to the result of the Fairness Opinion of 19 May 2016, the Offer Price is, from a financial point of view, fair and adequate. The Fairness Opinion can be ordered free of charge in German, French and English at gategroup, Investor Relations, Balz-Zimmermannstrasse 7, 8302 Kloten (Zurich), Switzerland (<invest@gategroup.com>) and is available under <[http://www.hnagroup.com/en/discl/HNA\\_Website/legal.html](http://www.hnagroup.com/en/discl/HNA_Website/legal.html)>.

Based on these considerations and the result of the Fairness Opinion, the Board considers the price offered by the Offeror to be favorable for the gategroup shareholders which, among other considerations, leads to its recommendation in section I of this report.

## 2 Continuation of the Business

The Board is convinced that the takeover of gategroup by the Offeror/HNA Group will bring advantages for the business partners and the employees. The transaction enables gategroup to further develop its positioning as a focused and global airline service provider. This is to be achieved by investments in technology, in the expanded service portfolio and by the acquisition of other companies. The HNA Group has expressed the intention to develop the business in order to unfold its full potential and to support gategroup's Gateway 2020 strategy and its planned expansion in growth markets.

Having the Offeror/HNA Group as a new, financially strong owner and as an ongoing, active shareholder enables gategroup to achieve accelerated growth and to further strengthen its leading market position. Accordingly, the Offeror/HNA Group will strengthen and expand the global business activities of gategroup as a long-term investor.

## 3 Management

The decision of the Offeror to retain the management under the leadership of Group CEO Xavier Rossinyol was also a decisive element of the assessment of the Offer by the Board. This is key in order to retain important know-how and continuity within gategroup.

## III Contractual Relationships with the Offeror

With regard to the Offer, gategroup and HNA Group entered into a transaction agreement on April 10, 2016 (the **Transaction Agreement**). In essence, the Transaction Agreement governs the conditions of the Offer and the respective rights and duties of gategroup and the Offeror/HNA Group in relation to the Offer. In particular, the Transaction Agreement provides for the price to be offered for the gategroup Shares by the Offeror. In return, gategroup agreed to support the Offer and to recommend to its shareholders to accept the Offer, as long as no superior offer is submitted that is considered to be more advantageous to the shareholders of gategroup than the Offer by the Board after careful consideration and based on the advice of the external financial and legal advisors and after consultation with HNA Group in good faith taking into account financial, regulatory, legal, operational and other aspects.

In case that the Offer is successful, gategroup further agreed to register the Offeror as shareholder with voting rights with respect to all acquired shares in the share register of gategroup.

Further, it is envisaged that all incumbent members of the Board will resign from the Board with effect as per the settlement date of the Offer. In return, certain members yet to be nominated by the Offeror/HNA Group shall be elected as new

members of the Board with effect as per the settlement of the Offer. A more detailed overview on the main terms of the Transaction Agreement can be found in section D 3.1 of the offer prospectus.

## **IV Potential Conflicts of Interest of the Members of the Board of Directors and the Executive Management Board**

### **1 Members of the Board of Directors**

The Board is composed of the following members:

- Andreas Schmid, Chairman;
- Remo Brunschwiler, Vice-chairman;
- David Barger;
- Gerard van Kesteren;
- Frederick Reid;
- Julie Southern; and
- Anthonie Stal.

The Board undertook under the Transaction Agreement to support and to recommend to accept the Offer. Subject to the conditions of the Transaction Agreement, the Board will propose to an extraordinary shareholders' meeting of gategroup the election of the new members nominated by the Offeror/HNA Group to the Board (cf. section D 2 of the offer prospectus).

In case that the Offer is successful, all members of the Board have declared to resign from the Board as per the settlement date of the Offer.

No member of the Board has entered into an agreement with the Offeror/HNA Group or a person acting in concert with the Offeror (except for gategroup and its subsidiaries). No member of the Board is in a special relationship with the Offeror/HNA Group or a person acting in concert with the Offeror (except for gategroup and its subsidiaries). No member of the Board was elected upon proposal of the Offeror/HNA Group or a person acting in concert with the Offeror (except for gategroup and its subsidiaries). Finally, no member of the Board exercises its mandate pursuant to the instructions of the Offeror/HNA Group or a person acting in concert with the Offeror. Moreover, the members of the Board are neither organs or employees of the Offeror/HNA Group or a person acting in concert with the Offeror (except for gategroup and its subsidiaries) nor do they act as organs or employees of a company which has significant business relationships with the Offeror/HNA Group (or a person acting in concert with the Offeror, except for gategroup and its subsidiaries).

No member of the Board is in a conflict of interests in relation to the Offer.



## 2 Members of the Executive Management Board

The Executive Management Board of the Company (the **EMB**) is composed of the following members:

- Xavier Rossinyol, Chief Executive Officer of gategroup;
- Christoph Schmitz, Chief Financial Officer;
- Herman Anbeek; and
- Jann Fisch.

No member of the EMB is in a conflict of interests in relation to the Offer.

In particular, the members of the EMB have not entered into an agreement with the Offeror/HNA Group or any person acting in concert with the Offeror (except for gategroup and its subsidiaries) and none of them exercises executive functions nor are they employees of the Offeror/HNA Group or any person acting in concert with the Offeror (except for gategroup and its subsidiaries).

## 3 Financial Consequences of the Offer

### 3.1 Board of Directors

As disclosed in the Compensation Report listed in the gategroup Annual Report 2015, no Shares were allocated to members of the Board during the business year 2015.

The members of the Board held as of the date of this report the following participations in gategroup:

<b>Name</b>	<b>Number of gategroup Shares</b>	<b>Number of options</b>
<b>Andreas Schmid</b>	247,067	1,821
<b>Remo Brunschwiler</b>	3,300	-
<b>David Barger</b>	-	-
<b>Gerard van Kesteren</b>	4,000	-
<b>Frederick Reid</b>	32	-
<b>Julie Southern</b>	-	-
<b>Anthonie Stal</b>	72,500	-

In the event that the Offer is declared successful and a squeeze-out of minority shareholders is implemented, Andreas Schmid agreed to waive any and all rights with respect to the 1,821 options without any compensation. Other than related to the fact that they are holders of gategroup Shares, and except for the fixed compensation, which will be paid on a pro rata basis until termination, the Offer has no financial consequences for the members of the Board.

### 3.2 Executive Management Board

Based on the share plans for the EMB as disclosed in the gategroup Annual Report 2015, awards for the allocation of gategroup Shares (**Equity Plans**) were allocated to the members of the EMB. The Equity Plans provide for a vesting period of four years. The 2015 and 2016 Equity Plans are subject to an additional full vesting event of the relevant gategroup Shares upon a change of control of gategroup; the Offer qualifies as a change-of-control pursuant to the terms of such Equity Plans. The earlier Equity Plans allow for a *pro rata* vesting based on the amount of time lapsed under the relevant Equity Plan and achievement of the performance goals set forth in the relevant Equity Plan.

At the time of the publication of this report, the following members of the EMB hold the following number of gategroup Shares and gategroup Share awards, respectively, out of equity awards granted under gategroup Equity Plans up to and including the 2015 Equity Plan:

<b>Name</b>	<b>Number of gategroup Shares</b>	<b>Number of awards under Long Term Incentive Plans<sup>1</sup></b>
<b>Xavier Rossinyol</b>	70,000	90,000
<b>Christoph Schmitz</b>	15,000	30,000
<b>Herman Anbeek</b>	54,437	57,758
<b>Jann Fisch</b>	4,437	52,758

No awards were granted to members of the EMB under the 2016 Equity Plan. The Company has put in place a retention plan granting EMB members retention awards as consideration for their increased efforts in the course of the post-merger integration and to retain them at least during such integration process. The retention awards will be payable in two installments 6 and 12 months after Closing, unless an EMB member has been served or given notice of termination by that date. The following retention amounts have been awarded to the members of the EMB: CHF 3,180,000 for Xavier Rossinyol, CHF 1,590,000 for Christoph Schmitz, CHF 1,325,000 for Hermann Anbeek, and CHF 1,060,000 for Jann Fisch.

The Offeror/HNA Group has not entered into separate compensation agreements with the individual members of the EMB.

---

<sup>1</sup> Subject to accelerated vesting as described above.

#### 4 Measures

Although the members of the Board and the EMB do not have any apparent conflict of interest, the Company has obtained a fairness opinion of N+1 Swiss Capital. This opinion is described in more detail in section II 1 of this report.

#### V Intentions of Qualified Shareholders

According to the transaction disclosure of shareholders disclosed to the Disclosure Office of the SIX Swiss Exchange, the following shareholders hold more than 3% of the share capital or voting rights in gategroup as of the date of this report:

Name	Number of gate-group Shares	Stake in percent
<b>RBR Funds SICAV</b> <b>RBR European Long Short Master Fund</b> <b>RBR Strategic Value Ltd</b> <b>Camox Master Fund</b> <b>Rudolf Bohli</b>	2,913,710	10.88%
<b>Blackrock Inc.</b>	1,341,475	5.01%
<b>Credit Suisse Funds AG</b>	1,335,388	4.99%
<b>Wellington Management Group LLP</b>	1,154,486	4.31%
<b>Norges Bank (the Central Bank of Norway)</b>	892,932	3.33%
<b>Deutsche Bank AG</b>	788,369	3.09%
<b>UBS Fund Management (Switzerland)</b>	605,412	3.08%

The Board is not aware of the intentions of the aforementioned substantial shareholders with respect to the Offer.

#### VI Defense Measures

The Board has not taken any defense measures against the Offer and has no intention of taking any defence measures in the future or proposing to an extraordinary shareholders' meeting to take any such measures.

#### VII Financial Reporting

The consolidated and audited annual financial statements of gategroup as per 31 December 2015 as well as the interim report of gategroup for the first quarter

ending on 31 March 2016 are available on the website of gategroup (<<http://www.gategroup.com/investors/financial-reports-and-presentations>>).

The non-audited interim financial half year 2016 report of gategroup is expected to be published on 1 September 2016 and will be available in the same manner.

Kloten, 19 May 2016

The board of directors of gategroup Holding AG

---

## **G Decision of the Swiss Takeover Board**

On 19 May 2016, the Swiss Takeover Board has issued the following decision (*Verfügung*):

1. The public tender offer by HNA Aviation (Hong Kong) Air Catering Holding Co., Ltd., an indirect subsidiary of HNA GROUP CO., LTD., to the shareholders of gategroup Holding AG complies with the legal provisions on public tender offers.
2. This decision will be published on the website of the Swiss Takeover Board on the day of the publication of the offer prospectus.
3. The fee to be borne by of HNA GROUP CO., LTD. amounts to CHF 250,000.

## **H Rights of Shareholders of gategroup**

### **1 Request for Party Status (art. 57 Takeover Ordinance)**

A shareholder providing evidence of holding at least 3% of the voting rights of gategroup, whether exercisable or not, since the date of publication of the Offer Prospectus on 20 May 2016 ("**Qualified Shareholder**" in the sense of art. 56 para. 3 Takeover Ordinance), will be granted party status if he files a respective request with the Swiss Takeover Board. The request of a Qualified Shareholder must be received by the Swiss Takeover Board (Selnaustrasse 30, P.O. Box 1758, CH-8021 Zurich; telefax: +41 (0)58 499 22 91) within five (5) Trading Days from the date of publication of the Offer Prospectus. The first Trading Day after the publication of the Offer Prospectus will be the first day of the filing period. Concurrently with the request, the applicant has to furnish proof of his or her participation. The Swiss Takeover Board may request proof that the shareholder continues to hold at least 3% of the voting rights of gategroup, whether exercisable or not, at any time. The party status will be upheld in relation to any further rulings issued

by the Swiss Takeover Board in connection with the Offer, if the Qualified Shareholder continues to hold a qualified participation in gategroup.

## **2 Objection (art. 58 Takeover Ordinance)**

A Qualified Shareholder (art. 56 para. 3 Takeover Ordinance) who has not participated in the proceedings up to this point may file an objection against the order taken by the Swiss Takeover Board in respect of the Offer. The objection must be filed with the Swiss Takeover Board (Selnaustrasse 30, P.O. Box 1758, CH-8021 Zurich; telefax: +41 (0)58 499 22 91) within five (5) Trading Days after publication of the Swiss Takeover Board's ruling. The first Trading Day after the publication of the Swiss Takeover Board's ruling will be the first day of the filing period. The objection must contain a formal request, a summary of the legal grounds as well as proof of the Qualified Shareholder's holding in accordance with art. 56 Takeover Ordinance.

## **I Implementation of the Offer**

### **1 Information/Announcement**

Shareholders of gategroup holding their gategroup Shares in a depository account will be informed about the Offer by their depository bank and are requested to proceed in accordance with the instructions of their depository bank.

### **2 Offer Manager**

UBS AG.

### **3 Tendered gategroup Shares**

Tendered gategroup Shares will receive the separate securities number 32.360.039 (Ticker Symbol: GATEE). It is expected that SIX will approved the opening of the second trading line for the tendered gategroup Shares as of 6 June 2016. It is expected that the trading on the second trading line will be terminated upon the expiration of the Additional Acceptance Period.

### **4 Payment of the Offer Price/Date of Settlement**

Payment of the Offer Price for the gategroup Shares which will have been validly tendered during the Initial Acceptance Period and the Additional Acceptance Period is expected to take place on or around 5 August 2016 ("**Settlement**"). In the event of an extension of the Initial Acceptance Period pursuant to Section A 5 (*Initial Acceptance Period*) or a Postponement of the settlement in accordance with Section A 7.1 (*Offer Conditions*), the Settlement will be deferred accordingly.

## 5 Squeeze-out and De-listing

After the Settlement of the Offer, as set out in Section D 0 (*Intentions of Offeror with respect to gategroup, its Board of Directors and its Management*), Offeror intends to request the cancellation of the outstanding publicly held gategroup Shares in accordance with art. 137 FMIA, or to merge gategroup with Offeror or a Swiss company directly or indirectly controlled by HNA Group whereby the remaining public shareholders of gategroup will receive a compensation, but no shares of the surviving company, if permitted by law. Furthermore, after the Settlement of the Offer, Offeror intends to have gategroup apply with SIX for the de-listing of the gategroup Shares in accordance with the listing rules of SIX.

## 6 Costs and Fees

During the Initial Acceptance Period and the Additional Acceptance Period, gategroup Shares deposited with banks in Switzerland may be tendered free of costs and fiscal charges. Any Swiss transfer stamp duty (*Umsatzabgabe*) will be borne by the Offeror.

## 7 Possible Tax Consequences

*Tax Consequences for Shareholders who tender their gategroup Shares into the Offer and for non-accepting Shareholders in the Event of a Cancellation Procedure according to art. 137 FMIA*

In principle, the acceptance of the Offer and the sale of gategroup Shares are subject to the following tax consequences:

- Shareholders of gategroup who are subject to taxes in Switzerland and who hold their gategroup Shares as private assets (*Privatvermögen*) realize, according to the general principles of Swiss income tax law, a tax free capital gain respectively, where applicable, a non-deductible capital loss, unless the shareholder qualifies as professional securities dealer (*gewerbsmässiger Wertschriftenhändler*).
- Shareholders of gategroup who are subject to taxes in Switzerland and who hold their gategroup Shares as business assets (*Geschäftsvermögen*) or qualify as professional securities dealers (*gewerbsmässige Wertschriftenhändler*), realize, according to the general principles of Swiss income and profit tax law, a taxable capital gain or a deductible capital loss.
- The sale of gategroup Shares under this Offer will not trigger any Swiss withholding tax.

If, after completion of the Offer, Offeror holds more than 98% of the voting rights of gategroup and applies for the cancellation of the remaining publicly held gategroup Shares against compensation in accordance with art. 137 FMIA (see Section

I 5 (*Squeeze-Out and De-listing*)), the tax consequences for those shareholders of gategroup who have not accepted the Offer will in general be the same as if they had tendered their gategroup Shares under the Offer.

*Tax Consequences for Shareholders who do not tender their gategroup Shares into the Offer in the Event of a Merger with Cash-only Consideration*

In the event that, after completion of the Offer, Offeror holds between 90% and 98% of the voting rights of gategroup, Offeror intends to merge gategroup with Offeror or a Swiss company directly or indirectly controlled by HNA Group whereby the remaining public shareholders of gategroup will receive a cash-only consideration. Consideration paid to the remaining minority shareholders in connection with the squeeze-out merger may, depending on the structuring of such squeeze-out merger, trigger different tax consequences. In the present case the cash-only consideration will be paid by HNA Group or one of its Subsidiaries (including the Offeror), i.e. the direct or indirect parent entity of the surviving Swiss company, and therefore the same tax consequences apply as if the gategroup Shares were tendered into the Offer (see above).

**All Shareholders of gategroup and beneficial owners of gategroup Shares are expressly advised to consult their own tax advisors with respect to the Swiss and, where applicable, foreign tax consequences of this Offer applying to them.**

## **J Indicative Timetable**

20 May 2016	Publication of Offer Prospectus
23 May 2016	Start of Cooling-off Period
3 June 2016	End of Cooling-off Period
6 June 2016	Start of Initial Acceptance Period Opening of the second trading line on SIX for tendered gategroup Shares
1 July 2016	End of Initial Acceptance Period, 4:00 p.m. CEST*
4 July 2016	Publication of Provisional Notice of the Interim Result*
7 July 2016	Publication of Definitive Notice of the Interim Result*
8 July 2016	Start of Additional Acceptance Period*

21 July 2016	End of Additional Acceptance Period, 4:00 p.m. CEST* Closing of the second trading line on SIX for tendered gategroup Shares
22 July 2016	Publication of Provisional Notice of the Final Result*
27 July 2016	Publication of Definitive Notice of the Final Result*
29 July 2016	Extraordinary shareholders' meeting
5 August 2016	Settlement of the Offer*

\* Offeror reserves the right to extend the Initial Acceptance Period pursuant to Section A 5 (*Initial Acceptance Period*) once or several times, in which case the above dates will be deferred accordingly. In addition, Offeror reserves the right to postpone the Settlement of the Offer pursuant to Section A 7.1 (*Offer Conditions*).

## **K Governing Law and Jurisdiction**

The Offer, and all rights and obligations arising under or in connection with the Offer, shall be governed by, and construed in accordance with, Swiss law. The exclusive place of jurisdiction for all disputes arising out of or in connection with this Offer shall be Zurich 1, Switzerland.

## **L Publications**

The Offer Prospectus as well as all other publications in connection with the Offer will be published on HNA Group's website ([http://www.hnagroup.com/en/discl/HNA\\_Website/legal.html](http://www.hnagroup.com/en/discl/HNA_Website/legal.html)) and will be disseminated in electronic form to the financial information service providers and the Swiss Takeover Board.

The Offer Prospectus can be obtained free of charge in German, French and English at UBS AG, Swiss Prospectus, P.O. Box, 8098 Zurich, Switzerland; e-mail: [swiss-prospectus@ubs.com](mailto:swiss-prospectus@ubs.com); telephone: +41 44 239 47 03; facsimile: +41 44 239 69 14.



**Annex 1: Important group companies of HNA Group (overview)**

HNA Group Co., Ltd. directly owns and controls the following companies:

1. HNA Aviation Group Co., Ltd.
2. HNA Capital Group Co., Ltd.
3. HNA Tourism Group Co., Ltd.
4. HNA Logistics Group Co., Ltd.
5. HNA Holdings Co., Ltd.