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**海南美蘭國際機場股份有限公司**  
**Hainan Meilan International Airport Company Limited\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**Stock Code: 357**

**ANNOUNCEMENT ON AIR TRAFFIC DATA  
FOR THE SIX MONTHS ENDED JUNE 30TH, 2006**

This announcement is made by Hainan Meilan International Airport Company Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company hereby announces that, for the six months period ended June 30th, 2006, the passenger throughput and aircraft movement at the Hainan Meilan International Airport continued to decrease whereas the cargo throughput recorded moderate increase.

This announcement is made by Hainan Meilan International Airport Company Limited (the “Company”) pursuant to Rule 13.09 of the Listing Rules. Following a 2005 decrease in passenger throughput, aircraft movement and cargo throughput for the first time in the Company’s history since 2005, the Company once again recorded a decrease in the categories of passenger throughput and aircraft movement while the cargo throughput increased moderately for the six months period ended June 30th, 2006.

For the six months period ended 30 June 2006, the aggregated passenger throughput at Hainan Meilan International Airport was 3,515,700, representing a decrease of 3.1% from the corresponding period of 2005. The national average was 17.5% increase for the same period. The aggregated aircraft movement at Hainan Meilan International Airport was 32,942, representing a decrease of 6.6% from the corresponding period of 2005. The aggregated cargo throughput at the Hainan Meilan International Airport reached 53,816.40 tons, representing an increase of 2.8% from the corresponding period of last year.

As a result of the decrease of traffic volume, Hainan Meilan International Airport has dropped to the 12th busiest airport in China as measured by passenger throughput during the first half of this year from its previous year ranking of the tenth in 2005. Chong Qing Airport and Xiamen Airport have surpassed Hainan Meilan International Airport to be in the top eleven ranking.

## **REASONS FOR THE CONTRACTION OF TRAFFIC VOLUME**

The decrease of the passenger throughput and aircraft movement is mainly attributable to the following factors:

- Fewer passenger flights allocated to Hainan Meilan International Airport as a result of the strategic adjustment in destination traffic by major airline companies.
- Competition with short distance traveling and highway tourism traffic
- Competition with other tourism destinations such as Sanya
- Competition with other airports such as Sanya Phoenix International Airport

## **AIR TRAFFIC FORECAST FOR THE SECOND HALF OF 2006**

Traffic volume at the Meilan International Airport for the second half of 2006 will depend on a number of factors (including but not limited to):

- The levels of trade, tourism and business travel to and from Haikou; and
- Competition from other airports, tourism destinations and means of transportations

The Board expects that market conditions will remain to be less than favorable to the operations of the Company and the total passenger throughput for 2006 is expected to be below 7 million.

*As at the date of this announcement, there are nine Directors on the Board. They are: Zhang Cong, Wang Zhen, Dong Guiguo and Gunnar Moller as executive Directors; Zhang Han'an and Kjeld Binger as non-executive Directors; and Xu Bailing, Xie Zhuang and Fung Ching Simon as independent non-executive Directors.*

By Order of the Board

**Hainan Meilan International Airport Company Limited**

**Zhang Cong**

*Chairman of the Board*

Haikou, the People's Republic of China

September 14, 2006

\* *For identification purpose only*

*Please also refer to the published version of this announcement in  
Wen Wei Po Post and China Daily.*