

[For Immediate Release]



**Meilan Airport Announces 2004 Annual Results
Total Revenue and Profit Attributable to Shareholders
Surge by 16.9% and 21.7% Respectively**

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Proactive Exploration of International Routes
To Become a Quality International Airport

Financial Highlights

For the year ended 31 Dec	2004 RMB '000	2003 RMB '000	Change
Total Revenue	360,025	307,933	+16.9%
- Aeronautical	259,753	214,839	+20.9%
- Non-aeronautical	100,272	93,094	+7.7%
Gross Profit	239,826	210,673	+13.8%
Profit Attributable to Shareholders	185,677	152,608	+21.7%
Earnings Per Share (RMB)	39 cents	32 cents	+21.9%
Final Dividend Per Share (RMB)	7.4 cents	14.3 cents	-48%

(22 March 2005 – Hong Kong) Hainan Meilan International Airport Company Limited ("Meilan Airport" or the "Company"; Stock code: 357) and its subsidiaries (the "Group") announced its annual results for the year ended 31 December 2004. Total revenue was RMB 360,025,000 and net profit attributable to shareholders was RMB 185,677,000. Earnings per share were RMB 39 cents.

The Board of Directors announced the payment of a final dividend of RMB 7.4 cents per share for the year ended 31 December 2004. Together with the interim dividend of RMB 10.4 cents per share, the total dividend for the year was RMB 17.8 cents per share (2003: RMB 17 cents).

In 2004, total aircraft movement was 68,282, representing an increase of 6.5% when compared with the corresponding period of the previous year. Passenger throughput at Haikou Meilan International Airport exceeded 7 million for the first time and reached 7,478,200, representing a growth of 24% over the corresponding period of 2003. Cargo throughput increased by 21% over the same period of the previous year to 98,482.5 tons. Thanks to the overall increase in traffic volume in 2004, the Group's revenue from its aeronautical business for the year reached RMB 259,753,000, representing an increase of 20.9% when compared with the same period of the previous year.

With the liberalization of the third, fourth and fifth categories of aviation rights, the Group actively explored the opportunities to capture more international routes. As at the end of 2004, the Group had already opened 9 international routes with 7 international and local airlines, in which 3 international and regional airlines, including Thailand Puhket Airlines, Malaysia Airlines and Asiana Airlines opened routes to and from Haikou. After actively discussing the opening of more routes with international airlines, Asia Airlines from Malaysia, PB from Thailand and Aero Float from Russia, etc, have carried out a field study of Hainan Meilan Airport and have reached a preliminary cooperation agreement. In addition, the Group also established better communication systems with several international airlines so as to establish a better foundation for future cooperation.

As for its non-aeronautical business, the Company actively introduced a plan similar to Copenhagen Airport's business development plan in 2004 and established business development strategies, including resource allocation and management model. Thus, the Group attained encouraging results in respect of its non-aeronautical business. The revenue from its non-aeronautical business amounted to RMB 100,272,000, representing an increase of 7.7% as compared to 2003.

In 2004, the Group successfully convinced internationally renowned brands to participate in the operation of Meilan Airport. For example, the Group entered into an agreement with DFS, an internationally recognized retailer, in October, which leased the commercial area of the terminal and expects to complete its design and decoration in time for the commencement of operations in mid-2005. At the same time, Select Service Partner Hong Kong Limited ("SSP") plans to operate restaurants with different styles at Meilan Airport. The successful introduction of SSP and DFS will enhance the quality of food and beverage and retail services, and encourage the development of other non-aeronautical businesses, which are regarded as a new operation model for the commercial development of civil aviation airports in the PRC.

Hainan Meilan Airport International Travelling Company Limited ("Meilan Travelling") provides a wide range of services such as transportation between Hainan Meilan International Airport and Haikou City, hotel reservation, air ticket sales, travel reception and tour package organization. Meilan Travelling recorded satisfactory results in 2004, with turnover amounting to RMB 22,165,000. The car parking business is another major income source of the Group's non-aeronautical businesses. The turnover of the car parking business for 2004 amounted to RMB 5,072,000. The Group also generated revenue by operating and leasing out advertising space at the airport terminal. For the year ended 31 December 2004, income from advertising was RMB 8,250,000, representing an increase of 33.2% as compared to 2003. Since enormous efforts were put into the Group's retail market development, the revenue from the retail business reached RMB 21,790,000, representing a 90% growth as compared with the corresponding period of the previous year. The revenue from the concession fee was RMB 13,990,000, representing a 43% drop as compared with the corresponding period of the previous year.

Mr. Chen Wen-li, Chairman of the Group, said, "Looking ahead, the Group will proactively explore international routes and endeavour to become a quality international airport. The Phase II Expansion is expected to be put into operation by mid-2005. The completion of the Phase II expansion plan will establish a solid foundation for the Group to expand its operation scale, enhance its efficiency and satisfy the demand of an increasing number of tourists. The Group will continue to introduce and learn from its international advanced management model and experience to establish an outstanding management system, so as to enhance service quality. The Group will implement a series of effective measures to further expand its businesses, with the view of rewarding our shareholders with impressive returns."

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About Meilan Airport:

The Company is currently engaged in both aeronautical and non-aeronautical businesses at the Meilan Airport in Hainan Province, China. Its aeronautical businesses consist of the provision of terminal facilities, ground handling services, and passenger and cargo handling services. Its non-aeronautical businesses include leasing of commercial and retail spaces at the Hainan Meilan Airport, airport-related business franchising, advertising, car parking, tourism services and the sale of duty-free and consumer goods.

In July 2003, Haikou Meilan Airport acquired the international airport status from CACC and changed its name to Haikou Meilan International Airport. CACC has also liberalized the third, fourth and fifth categories of aviation rights at Hainan Province on a trial basis, which is expected to strengthen the Group's operation and financial performance in the future. Led by an experienced and capable management team, Meilan Airport is moving towards its goal of becoming a regional airport management company.

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