

[For Immediate Release]



**Hainan Meilan International Airport Announces
2007 Annual Results
Net Profit Attributable to Shareholders Increased 12.8% to
Approximately RMB139,000,000**

Financial Highlights

| | For the year ended 31 December | | Change (%) |
|---|--------------------------------|------------------|---------------|
| | 2007 RMB '000 | 2006 RMB '000 | |
| Total Revenue | 344,391 | 334,375 | +3.0% |
| - Aeronautical | 251,798 | 230,756 | +9.1% |
| - Non-aeronautical | 92,593 | 103,619 | -10.6% |
| Gross Profit | 222,624 | 198,840 | +12.0% |
| Operating profit | 175,475 | 132,838 | +32.1% |
| Net Profit Attributable to Shareholders | 138,777 | 122,976 | +12.8% |
| Basic Earnings Per Share (RMB) | 29 cents | 26 cents | 11.5% |
| Full Year Dividend Per Share (HKD) | 28 Cents | Nil | Nil |
| - Interim Dividend Per Share (HKD) | 20 Cents | Nil | Nil |
| - Final Dividend Per Share (HKD) | 8 Cents | Nil | Nil |

(31 March 2008 – Hong Kong) Hainan Meilan International Airport Company Limited (“Meilan Airport” or the “Company”, together with its subsidiaries, the “Group”; Stock code: 0357) announced its annual results for the year ended 31 December 2007.

For the year ended 31 December 2007, the Group’s total revenue amounted to approximately RMB 344,391,000, representing an increase of 3.0% as compared to last year. Operating Profit surged from approximately RMB132,838,000 in 2006 by 32.0% to approximately RMB175,475,000 in 2007. Net profit attributable to shareholders increased by 12.8% to approximately RMB 138,777,000 as compared with previous year. Basic earnings per share were RMB 29 cents (2006: RMB26 cents). The Board of Directors resolved to distribute a final dividend of HK\$8 cents per share. Together with the interim dividend of HK\$20 cents, dividend for the year totaled HK\$28 cents per share (2006: Nil).

During the year under review, the Group’s aeronautical business recorded a revenue of approximately RMB251,798,000, representing a year-on-year increase of 9.1%. Regarding the traffic, accumulated passenger throughput was approximately 7,265,000, representing a year-on-year increase of 9.0% compared with 2006, while aircraft movement slightly dropped by 1.9% to 60,579 aircrafts, in which the transportation cargo movements were 56,872,

-Cont’d-

representing a year-on-year increase of 4.9%. Cargo throughput was 111,451.9 tons, which grew 14.1% year-on-year.

The significant growth of total revenue of aeronautical business was due to the Group's robust development of domestic and international airlines during the year. The aviation rights and air routes in Hainan Province received full support from Hainan Provincial government, which resulted in the surge of the numbers of international flights. Meanwhile, Meilan Airport successfully held the New Route Asia Forum which attracted international airlines to operate Haikou as a new destination. As at 31 December 2007, Meilan Airport has operated 12 international and regional destinations and for the first time introduced Russian Trans-continental Airline which opened charter flights between Moscow and Haikou. Besides, the Group set its focus on cooperation with low-cost airways which neutralized the effect of competition from Sanya Phoenix International Airport and Guangdong-Hainan railway. As a result, the Group's operation indicators showed an overall increase during the year.

Concerning the non-aeronautical operation, the Group upheld the concept of "Operational resources utilization in line with market demand and future development" and resulted in stable outcomes. During the year, revenue of the Group from non-aeronautical business was approximately RMB92,593,000, which was 10.6% lower year-on-year. The main reason for the drop was the franchising of travel agency and duty-free goods retail businesses in late 2006 and early 2007 respectively, which led to the adjustment in statistics. In 2007, income from advertising business broke the record again and amounted to RMB14,035,000 approximately, representing a year-on-year increase of approximately 16.9%. New cargo business (ground transportation, storage, package and pick-up and delivery) generated an annual accumulated revenue of approximately RMB9,665,000 and became one of the backbones of non-aeronautical business. The commercialization of VIP room realized a turnover of approximately RMB5,426,000 for the year, which posted a year-on-year increase of 187.3% and became another highlight of revenue from non-aeronautical business of Meilan Airport in 2007.

Commenting on the remarkable annual results, Mr. Zhang Cong, Chairman of Meilan Airport, stated that, "Despite increasingly fierce competitions in aviation industry, the Group still succeeded in attracting several domestic and international low-cost airlines. Besides, the Group excelled at customer service, quality of management and safety in operation. This is reflected by the passing of the security inspection of Civil Aviation Administration of China and has been safely operating for the ninth consecutive year and awarded the 'Golden Bottle Cup', an award in recognition of operation safety and quality management introduced by the Administration; as well as the 'Chinese User Satisfaction Ding' by the China Association of Quality."

During the year under review, the Group carried through the strategic deployment of the "Year of transformation" and the target of "income raising and cost cutting" by strengthening cost control to realize low cost and professional operation, optimizing organizational management and technology innovation, proactive exploring of markets of passenger and cargo, deepening the management system evolution in order to further strengthen corporate core competitiveness. In addition, the Group implemented the marketing development strategy of "Leaping Out and Inviting To Come" and enhanced the attractiveness of the aviation and tourism markets, which in turn promoted the aviation market in Haikou by the development of tourism industry.

Mr. Zhang concluded, "Looking ahead, we will continue the optimization of budget management, and step up the model transformation from being 'operational' to 'managerial'. By means of the breakthrough of the opening of aviation rights and opportunities from the promotional activities for the 20th Anniversary of Hainan Province, the Group will continue to explore domestic and international markets in order to enlarge the market share of Meilan Airport. The Group plans to establish the new 'Profit Center' budget monitoring mode to further reduce the cost. The Group will also take proactive participation into various international airport competitions to enhance the popularity of Meilan Airport on the world stage. Finally, the Group will also enhance on-job training and hire more professionals to prepare for the sustainable development of Meilan Airport."

- End -

Corporate Profile

The Company is currently engaged in both aeronautical and non-aeronautical businesses at the Haikou Meilan International 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 Haikou Meilan International Airport, airport-related business franchising, advertising, car parking, tourism services and sales of duty-free and consumable goods.

In July 2003, the Group has obtained the international airport status by CAAC and changed its name to Haikou Meilan International Airport. CAAC has also resolved the liberalization of the third, fourth and fifth categories of aviation rights at Hainan Province on a trial base, 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.

*Hainan Meilan International Airport Announces 2007 Annual Results
Net Profit Attributable to Shareholders increased 12.8% to Approximately RMB139,000,000
31 March 2008, Page 4*

Callis Lau/ Joey Wan/ Nick Fung

Tel: 2136 6952/ 3170 6954/ 2169 0646

Email: callis.lau@iprogilvy.com/ joey.wan@iprogilvy.com/
nick.fung@iprogilvy.com

Fax: 3170 6606