



海南美蘭機場股份有限公司
HAINAN MEILAN INTERNATIONAL
AIRPORT COMPANY LIMITED

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

INTERIM RESULTS 2007



0357 HK

August 2007

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1H 2007 Major Achievements

Financial

- Revenue slightly dropped by 1% to RMB174,889,000 and net profit increased by 9.4% to RMB87,095,000 as compared with the corresponding period last year
- Proposed interim dividend was HK 20 cents
- Passenger throughput and cargo throughput increased by 2.2% and 11.7% respectively as compared with the corresponding period last year

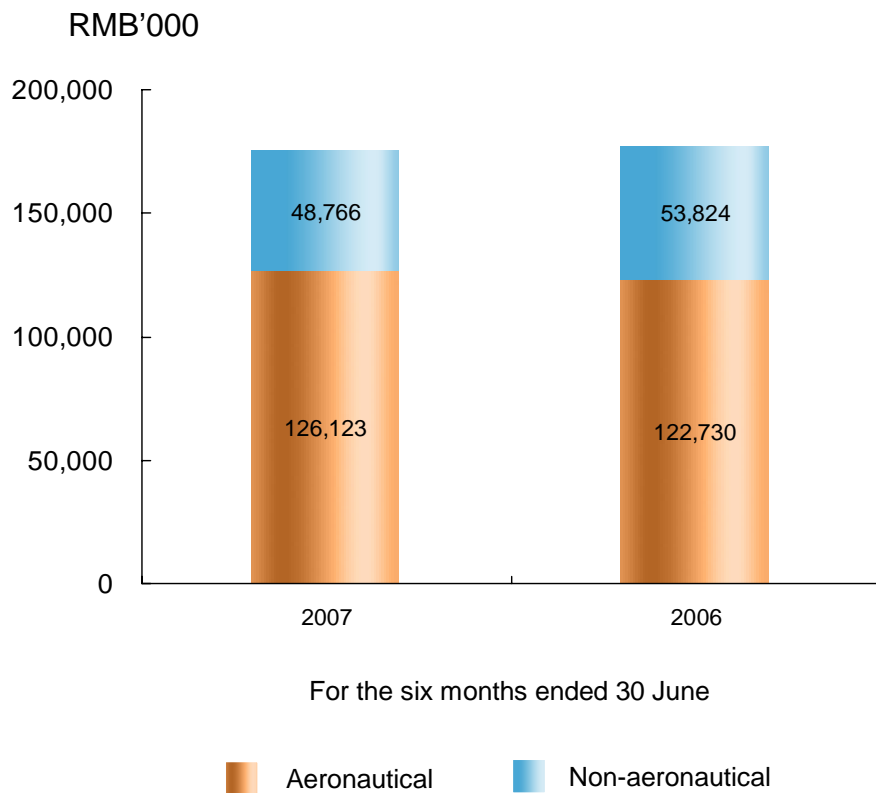
Business

- International routes continued to growth quickly and domestic routes were rebounded in 1H 2007
- Retail sale of duty free business and advertising revenue from the non-aeronautical business recorded robust growth
- Strengthen cost control measurement and cost was lowered by 12.0%
- Airport construction fee for the period before 31 December 2006 was refunded

Financial overview



Revenue



RMB '000

For the six months
ended 30 June

2007 2006

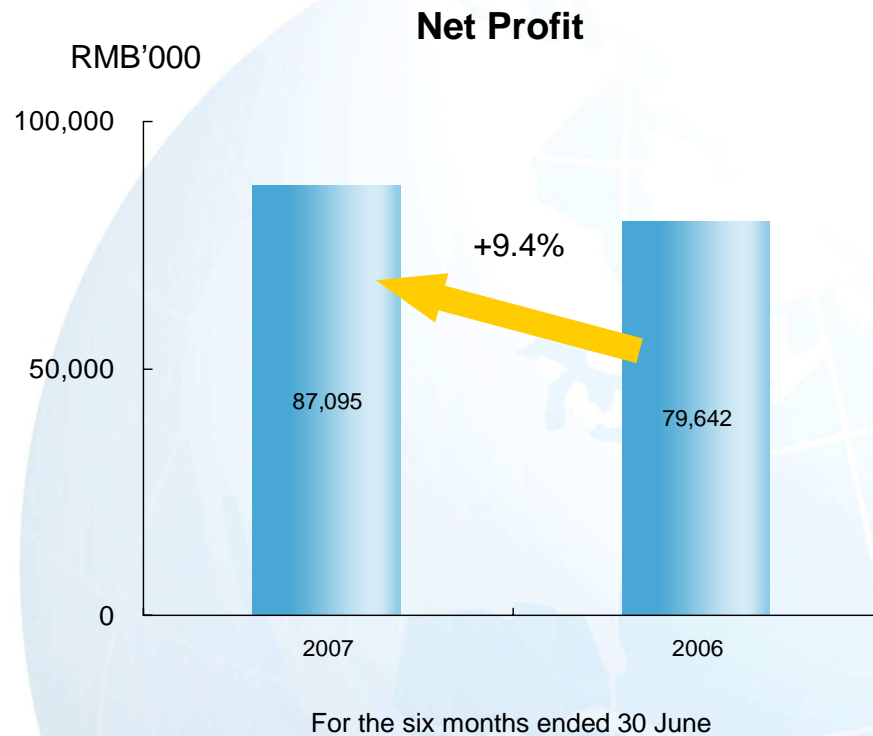
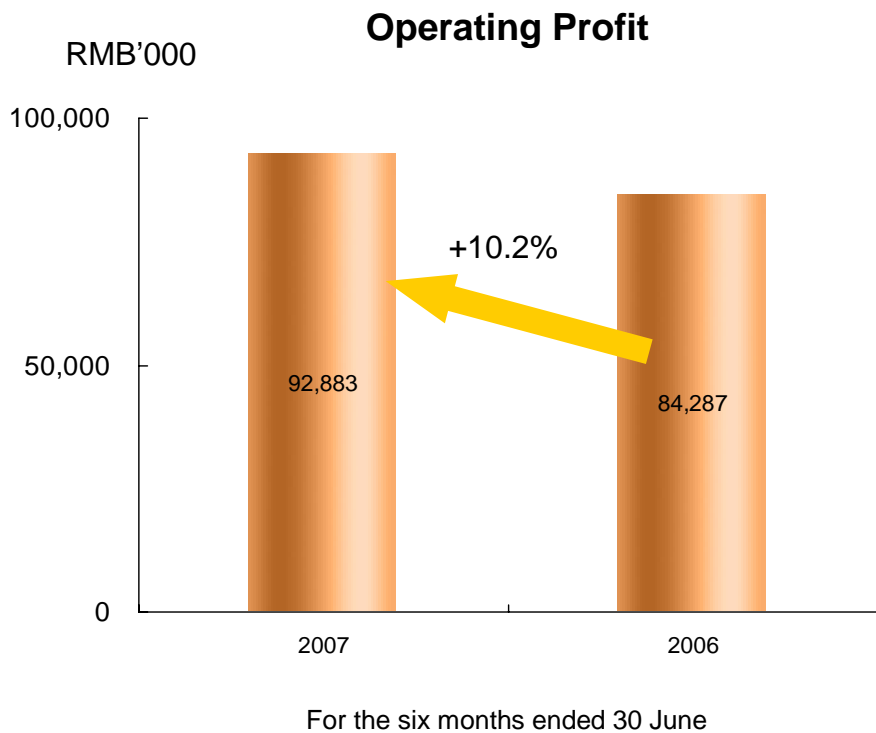
Aeronautical:

Passenger charges	46,151	47,831
Aircraft movement fees and related charges	20,815	22,048
Airport fees	44,266	43,185
Ground handling service	14,891	9,666
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	126,123	122,730

Non-aeronautical:

Retail	8,057	5,573
Franchise fees	11,448	14,040
Leasing	8,528	8,654
Provision of tourism services	-	11,796
Transportation	4,692	-
Advertising	6,433	5,673
Car parking fees	2,495	2,778
Others	7,113	5,310
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	48,766	53,824
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	174,889	176,554

Operating and Net Profit

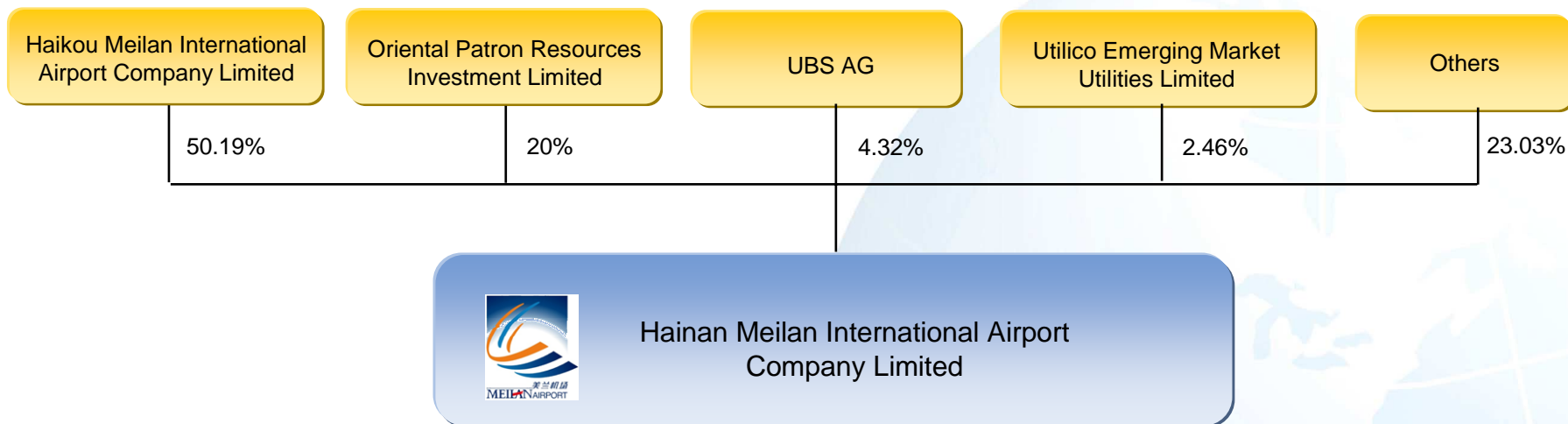


Key Financial Ratio

For the six months ended 30 June

	2007	2006
Total Assets (RMB'000)	1,932,712	1,860,389
Net Assets (RMB'000)	1,749,922	1,619,527
Return on assets (%)	4.5	4.3
Return on equity (%)	5.0	4.9
Current ratio (Times)	4.88	3.08
Gearing ratio (%)	9.46	12.95

Shareholding Structure



Remarks: Copenhagen Airports A/S disposed entire shareholding of 94,643,000 H shares to Oriental Patron Resources Investment Limited on 5 June 2007



Business review



Stable Growth in Traffic Data

Total traffic data

For the six months ended 30 June

	2007	2006	Change
Passenger throughput ('000)	3,592.9	3,515.2	2.2%
Aircraft movements	30,629	32,942	(7.0%)
In which: Transportation movements	28,764	28,629	0.5%
Cargo throughput (tons)	60,348	53,816	12.1%

International traffic data

For the six months ended 30 June

	2007	2006	Change
Passenger throughput	109,700	66,800	64.2%
Aircraft movements	1,008	573	76.0%

Aeronautical Business

- Revenue from aeronautical business rose 2.8% to RMB126,123,000 as compared with the corresponding period last year
- Adjustment of the aviation rights attract more airlines to open international routes via Hainan
 - Achieved the objective of “opening to the south and north”
 - Benefit the airlines by enabling them to open routes between Southeast Asian Nation and China with lower cost
- Successfully introduced 7 regular international routes in 1H 2007
- Attracted new airlines to open route to the airport



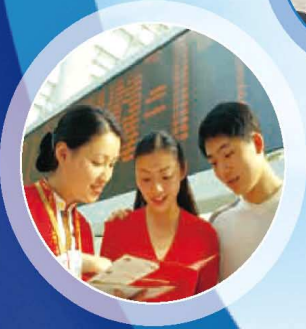
Non-aeronautical Business

- Cargo centre was in operation in March 2007 and generated RMB4,692,000 for the Group
- Revenue generated by advertising and duty free business reached RMB6,433,000 and RMB8,057,000, representing an increase of 13.4% and 44.6% respectively as compared with the corresponding period last year
- Granted 3-years exclusive right to Hainan HNA China Duty Free Merchandise Co., Ltd. to engage in the retail sale of duty free and other agreed commodities to outbound international and regional passenger
- Revenue from non-aeronautical business dropped 9.4% to RMB48,766,000 as compared with the corresponding period last year because the tourism services business is franchised



Brand Image and Service Quality Enhancement

- Strengthen the relationship with airlines through:
 - Successfully organized “New Route Asia Forum 2007” in Mar 2007
 - Participated regularly in the planning meeting of the airlines
 - Regular discussion with different airlines
- Monthly meeting to review the operations and carry out improvement procedures
- Assist in organizing Bo’ao forum to promote the brand image of the Group
- Participate in the evaluation activities of the airport industry to enhance the services quality
- Renovate Terminal Phase I to improve the environment



Future plans and strategies



Market Outlook

Adjustment of the aviation rights in Hainan Province, which enabled airlines to establish a shorter route to connect Southeast Asian Nation and China

CAAC realigns the aviation resources in the PRC market

Airlines reinforces the flight frequency and allocate more flights to and from Hainan

More promotional activities will be held in Haikou to attract more tourists

E.g. The Japan-China Exchange Year of Culture and Sports, City sports activities, golf promotion activities and other tourism promotions, etc.



Benefits:

- Attract more airlines to open routes to and from Hainan
- Encourage airlines to establish international routes via Hainan
- Allure more passengers to visit Hainan island

Future Plans and Strategies

- Convert Meilan Airport into an international regional airport by leveraging on the opportunity brought by routes liberalization and alignment of the aviation resources by CAAC
- To become a regional airport management company
- Bring the operation and services to international standards
- Maximize revenue by introducing renowned international brand operators and change the role from operation company to management company





Open forum

