

[For Immediate Release]



**Hainan Meilan International Airport Company Limited
Announced 2008 Interim Results
Net Profit Attributable to Shareholders surged by 35.19%**

Financial Highlights

	For the six months ended 30 June		Change (%)
	2008 RMB '000	2007 RMB '000	
Total Revenue	212,893	174,889	21.73
- Aeronautical	160,261	126,123	27.07
- Non-aeronautical	52,632	48,766	7.93
Gross Profit	140,017	112,675	24.27
Operating profit	113,579	92,883	22.28
Net Profit Attributable to Shareholders	117,744	87,095	35.19
Basic Earnings Per Share (RMB cents)	25	18	38.89

(28 August 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 interim results for the six months ended 30 June 2008.

For the six months ended 30 June 2008, the Group's total revenue amounted to approximately RMB212,893,000, representing an increase of 21.73% as compared to the corresponding period last year. Operating profit increased by 22.28% to approximately RMB113,579,000. Net profit attributable to shareholders surged by 35.19% to approximately RMB117,744,000. Basic earnings per share were RMB25 cents (1H 2007: RMB18 cents). The Board of Directors resolved not to distribute an interim dividend for the six months ended 30 June 2008 (1H 2007: HKD20 cents per share).

During the period under review, the Group's aeronautical business recorded a revenue of approximately RMB 160,261,000, representing a y-o-y increase of 21.07%. Regarding the traffic, the Group continued to achieve growth following the rebound in 2007. The accumulated passenger throughput for the period was approximately 4.414 million, representing a y-o-y increase of 22.86%, while aircraft movement increased by 14.26% to 34,998 aircrafts, in which the transportation cargo movements were 33,659, representing a y-o-y increase of 17.02%. Cargo throughput was 74,072 tons, representing a y-o-y growth of 22.74%.

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Affected less significantly by the natural disasters and higher crude oil for the first half of 2008, the remarkable growth of total revenue of aeronautical business was mainly attributable to a stable and healthy growth in consumption and fixed investment of Hainan Province's economy which ensured the steady growth of demand in aviation transportation market in Hainan. Furthermore, the Group also enhanced its efforts on the development of domestic aviation business during the period, including actively paying visits to major domestic airlines and travel agencies, active participation in various flights co-ordination meetings and provision of information about charter flights to travel agencies. The Group also endeavored to coordinate with authorities of the state and local government in respect of preferential policies, such as the financial subsidy policy implemented in encouraging airlines. These initiatives greatly boosted the aircraft movement and flight passenger utilization rate of the Meilan Airport with significant results.

For international routes, the Group had adjusted its development strategy flexibly for its international aviation market and expanded the aviation market in South East Asia aggressively. We have successfully introduced Asian Airlines and opened up regular flights between Kuala Lumpur and Haikou, marking a new milestone of the Meilan Airport in expanding its aviation market in South East Asia.

During the period, the Group actively adjusted its operating strategy and explored areas with profit growing potential for its non-aeronautical business, resulting in a y-o-y growth of 7.93% in revenue to about RMB52,632,000, in which the Group's cargo business and VIP service business achieved a satisfactory results with a 72.51% and 59.53% growth in revenue respectively compared to corresponding period in last year.

Commenting on the interim results, Mr. Zhang Cong, Chairman of Meilan Airport, said, "During the first half of 2008, higher oil price placed a heavy operating burden to airlines. Natural disasters affected the traveling notion and plan of people. All these calamities exerted pressures on civil aviation industry to certain extend. Nevertheless, the Group anticipated that the economy of Hainan Province will achieve stable growth in the second half of the year. In particular, propelled by some investment projects in transportation, industrial and tourism real estate and several competitions and activities, more people will be attracted to visit Hainan Province, thus boosting the operating revenue of the Meilan Airport. Meanwhile, the Group will further adjust the development strategies for domestic and overseas markets, implement stringent cost control measures, with an aim of achieving 'Low Cost, High Efficiency' and attaining better results for our shareholders."

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Corporate Profile

The Group 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.

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