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海南美蘭國際空港股份有限公司
Hainan Meilan International Airport Company Limited*
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 357)

INTERIM RESULTS ANNOUNCEMENT AS OF 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- Total revenue was RMB1,079.26 million
(for the six months ended 30 June 2024: RMB1,149.28 million)
- Revenue from aeronautical business was RMB575.60 million
(for the six months ended 30 June 2024: RMB603.64 million)
- Revenue from non-aeronautical business was RMB503.66 million
(for the six months ended 30 June 2024: RMB545.64 million)
- Net loss attributable to shareholders was RMB70.20 million
(for the six months ended 30 June 2024: net loss attributable to shareholders of RMB248.05 million)
- Loss per share was RMB0.15
(for the six months ended 30 June 2024: loss per share of RMB0.52)

BUSINESS HIGHLIGHTS

- The passenger throughput recorded 13.9072 million
(for the six months ended 30 June 2024: 14.4937 million)
- Aircraft takeoff and landing reached 95,537 times
(for the six months ended 30 June 2024: 98,929 times)
- Cargo and mail throughput was 116,691.10 tons
(for the six months ended 30 June 2024: 116,356.00 tons)

* For identification purposes only

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Hainan Meilan International Airport Company Limited* (the “**Company**” or “**Meilan Airport**”) is pleased to announce the unaudited financial position and operating results of the Company and its subsidiaries (the “**Group**”) as at 30 June 2025 and for the six months then ended which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), together with the comparative information for the corresponding period of 2024 as follows:

The selected consolidated financial information prepared according to China Accounting Standards for Business Enterprises is as follows:

CONSOLIDATED INCOME STATEMENT

Item	Note	Six months ended 30 June	
		2025 RMB (Unaudited)	2024 RMB (Unaudited)
1. Revenue	3	1,079,263,016	1,149,277,255
Less: Cost of sales		(1,046,064,572)	(991,106,517)
Taxes and surcharges		(33,187,231)	(32,204,877)
Selling and distribution expenses		(1,613,179)	(1,361,447)
General and administrative expenses		(52,625,964)	(47,578,558)
Financial expenses		(57,574,061)	(62,674,575)
Including: Interest expenses		(60,137,086)	(63,542,613)
Interest income		2,769,962	1,191,272
Add: Other income		7,139,700	2,517,669
Investment income/(loss)	4	34,365,384	(8,349,494)
Including: Investment income/(loss) on associates		34,365,384	(8,349,494)
Losses on changes in fair value		(3,315,526)	(4,217,500)
Credit impairment losses		(2,237,038)	(14,013,857)
Gains/(losses) on disposal of assets		2,000	(72)
2. Operating loss		(75,847,471)	(9,711,973)
Add: Non-operating income		10,590,606	1,407,004
Less: Non-operating expenses		(2,963,157)	(273,552,940)

Item	Note	Six months ended 30 June	
		2025 RMB (Unaudited)	2024 RMB (Unaudited)
3. Total loss		(68,220,022)	(281,857,909)
Less: Income tax credits	5	<u>5,912,353</u>	<u>25,305,286</u>
4. Net loss		(62,307,669)	(256,552,623)
Classified by continuity of operations			
Net loss from continuing operations		(62,307,669)	(256,552,623)
Net profit from discontinued operations		—	—
Classified by ownership of the equity			
Net loss attributable to shareholders of the Company		(70,202,444)	(248,045,330)
Minority interests		7,894,775	(8,507,293)
5. Other comprehensive loss, net of tax		<u>(1,102,816)</u>	—
Other comprehensive loss attributable to shareholders of the Company, net of tax		(1,102,816)	—
Other comprehensive loss which will be reclassified to profit or loss		(1,102,816)	—
Other comprehensive loss that can be transferred to profit or loss under the equity method		<u>(1,102,816)</u>	—
6. Total comprehensive loss		<u>(63,410,485)</u>	<u>(256,552,623)</u>
Total comprehensive loss attributable to shareholders of the Company		(71,305,260)	(248,045,330)
Total comprehensive income/(loss) attributable to minority interests		7,894,775	(8,507,293)
7. Loss per share			
Basic loss per share (RMB)	6	(0.15)	(0.52)
Diluted loss per share (RMB)	6	<u>(0.15)</u>	<u>(0.52)</u>

CONSOLIDATED BALANCE SHEETS

		30 June 2025	31 December 2024
	<i>Note</i>	RMB	RMB
		(Unaudited)	(Audited)
ASSETS			
Current assets			
Cash at bank and on hand		507,813,727	541,082,778
Financial assets held for trading		20,145,651	23,461,177
Accounts receivable	8	301,167,878	337,389,236
Prepayments		3,199,414	2,704,227
Other receivables		17,866,822	18,063,155
Inventories		1,022,727	1,258,215
Other current assets		14,222,118	12,519,373
Total current assets		865,438,337	936,478,161
Non-current assets			
Long-term equity investments		251,610,311	197,661,037
Other non-current financial assets		49,025,153	49,025,153
Investment properties		1,406,401,343	1,431,457,557
Fixed assets		6,633,232,800	6,735,411,485
Construction in process		17,075,834	9,058,228
Right-of-use assets		262,447,763	524,895,525
Intangible assets		1,017,654,392	1,018,410,530
Long-term prepaid expenses		1,035,567	1,469,077
Deferred tax assets		20,881,027	14,981,480
Other non-current assets		99,061,905	63,728,859
Total non-current assets		9,758,426,095	10,046,098,931
TOTAL ASSETS		10,623,864,432	10,982,577,092

		30 June 2025 RMB (Unaudited)	31 December 2024 RMB (Audited)
	Note		
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings		430,205,833	400,406,667
Accounts payable	9	221,418,579	259,394,070
Advances from customers		22,600,216	22,691,036
Contract liabilities		11,754,456	11,275,619
Employee benefits payable		98,979,582	141,321,602
Taxes payable		69,475,440	155,480,607
Other payables		1,539,893,523	1,538,629,737
Non-current liabilities due within one year		1,715,394,719	1,830,588,485
Other current liabilities		705,267	636,621
Total current liabilities		4,110,427,615	4,360,424,444
Non-current liabilities			
Long-term borrowings		1,757,886,036	1,773,145,861
Long-term payables		657,169,297	699,098,359
Deferred income		36,772,222	38,088,889
Other non-current liabilities		53,080,985	60,567,483
Total non-current liabilities		2,504,908,540	2,570,900,592
Total liabilities		6,615,336,155	6,931,325,036
Shareholders' equity			
Share capital		473,213,000	473,213,000
Capital surplus		1,064,052,447	1,043,365,741
Other comprehensive income		1,403,024	2,505,840
Surplus reserve		246,394,231	246,394,231
Retained earnings		2,223,665,077	2,293,867,521
Total equity attributable to shareholders of the Company		4,008,727,779	4,059,346,333
Minority interests		(199,502)	(8,094,277)
Total equity		4,008,528,277	4,051,252,056
TOTAL LIABILITIES AND EQUITY		10,623,864,432	10,982,577,092

Notes:

1. GENERAL INFORMATION

The Company was established as a joint stock company with limited liability in the People's Republic of China (the “**PRC**”) on 28 December 2000. The registered address and the address of the headquarters of the Company is in Haikou City, Hainan Province, the PRC. The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited on 18 November 2002. The Company and its subsidiaries (collectively the “**Group**”) are mainly engaged in the operation of the Meilan Airport (“**Meilan Airport**”) and certain ancillary commercial businesses at Haikou City, Hainan Province, the PRC. The parent company of the Company is Haikou Meilan International Airport Co., Ltd., an enterprise established in the PRC with limited liability.

These financial statements are authorized for issue by the Board on 20 August 2025.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with the Accounting Standard for Business Enterprises – Basic Standard, the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as the “**Accounting Standards for Business Enterprises**” or “**CASs**”). The financial statements are prepared and presented in accordance with the Accounting Standard for Business Enterprises 32 “Interim Financial Reporting”, issued by the Ministry of Finance. The accounting policies applied in the preparation of the financial statements were consistent with those applied in the preparation of the financial statements for the year ended 31 December 2024 of the Group. The financial statements shall be read in conjunction with the financial statements for the year ended 31 December 2024 of the Group.

The Group recorded the net loss of RMB62 million and net cash inflow from operating activities of RMB278 million for six months ended 30 June 2025. As at 30 June 2025, the Group's current liabilities amounted to RMB4.11 billion, exceeding its current assets by RMB3.245 billion. The Group's current liabilities mainly comprised the amounts due to related parties of RMB1.150 billion, lease liabilities due within one year of RMB668 million, short-term borrowings of RMB430 million, long-term borrowings due within one year of RMB88 million, and construction payments payable for the airport project of Meilan Airport Phase II Expansion Project of RMB383 million.

The management of the Company (the “**Management**”) has carefully considered the Company's future liquidity, operating results and available sources of financing so as to assess whether the Company has sufficient funds to fulfil its financial obligations and maintain its continuing operations. As of 30 June 2025, the Company has sufficient bank credit facilities available for its daily operations and payment for the principal and interest of the aforementioned borrowings due within the next 12 months.

The Management has prepared a cash flow forecast for the 12 months from the date of these financial statements and believes the Group will have sufficient working capital and sources of financing to ensure that the Group is able to settle its debt due in the next 12 months from 30 June 2025. Accordingly, these financial statements of the Group for six months ended 30 June 2025 have been prepared on a going concern basis.

3. REVENUES AND SEGMENT INFORMATION

	Six months ended 30 June	
	2025	2024
	<i>RMB</i>	<i>RMB</i>
Analysis of revenues (by nature)		
Aeronautical business:		
Passenger service income	276,059,804	283,194,307
Ground handling service income	195,790,687	207,568,620
Fees and related charges on aircraft take-off and landing	<u>103,751,724</u>	<u>112,872,653</u>
	<u>575,602,215</u>	<u>603,635,580</u>
Non-aeronautical business:		
Franchise income	243,366,251	237,414,130
Hotel income	56,298,732	63,676,571
Freight and packaging income	59,054,195	60,509,800
Rental income	43,751,821	47,442,684
VIP room income	30,853,103	35,754,792
Other income	<u>70,336,699</u>	<u>100,843,698</u>
	<u>503,660,801</u>	<u>545,641,675</u>
	<u><u>1,079,263,016</u></u>	<u><u>1,149,277,255</u></u>

4. INVESTMENT INCOME/(LOSS)

	Six months ended 30 June	
	2025	2024
	<i>RMB</i>	<i>RMB</i>
Income/(loss) from long-term equity investment using equity method	<u>34,365,384</u>	<u>(8,349,494)</u>
	<u><u>34,365,384</u></u>	<u><u>(8,349,494)</u></u>

There is no significant restriction on the repatriation of investment income/(loss) of the Group.

5. INCOME TAX CREDITS

As the Group had no assessable profits arising in Hong Kong during the period, Hong Kong profits tax has not been provided for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil). Income tax expenses in the consolidated income statement represent provision for the PRC corporate income tax (“CIT”).

	Six months ended 30 June	
	2025	2024
	RMB	RMB
Current income tax calculated based on tax law and related regulations	(12,806)	–
Deferred income tax	(5,899,547)	(25,305,286)
	<u>(5,912,353)</u>	<u>(25,305,286)</u>

Pursuant to the “Notice on the Policies of Income Tax Preferences for Enterprises in Hainan Free Trade Port” (Cai Shui [2020] No. 31) jointly issued by the Department of Finance of Hainan Province and the Hainan Province Tax Service of State Taxation Administration and the relevant regulations, the Group is subject to enterprise income tax at the preferential rate of 15% from 1 January 2020 to 31 December 2024. Pursuant to the “Notice of the Ministry of Finance and the State Administration of Taxation on the Continuation of the Implementation of the Hainan Free Trade Port Corporate Income Tax Preferential Policies” (Cai Shui [2025] No. 3), the original preferential policies will be continued and the implementation year will be extended to 31 December 2027. The Group is subject to enterprise income tax at the preferential rate of 15% for the six months ended 30 June 2025 (six months ended 30 June 2024:15%).

6. LOSS PER SHARE

Basic loss per share is calculated by dividing consolidated net losses attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares of the Company:

	Six months ended 30 June	
	2025	2024
Consolidated net losses attributable to ordinary shareholders of the Company (<i>RMB</i>)	(70,202,444)	(248,045,330)
Weighted average number of outstanding ordinary shares of the Company (<i>Share</i>)	<u>473,213,000</u>	<u>473,213,000</u>
Basic loss per share (<i>RMB</i>)	<u>(0.15)</u>	<u>(0.52)</u>

Diluted loss per share is calculated by dividing the consolidated net loss attributable to ordinary shareholders of the Company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. As there were no dilutive potential ordinary shares of the Company during the period (for the six months ended 30 June 2024: Nil), diluted loss per share equal to basic loss per share.

7. DIVIDENDS

On 20 August 2025, the Board proposed not to distribute 2025 interim cash dividend (2024 interim cash dividend: Nil).

Pursuant to the resolution of the annual general meeting held on 21 May 2025, the Company did not distribute a final cash dividend for the year 2024 (final cash dividend for the year 2023: Nil).

8. ACCOUNTS RECEIVABLE

	30 June 2025 RMB	31 December 2024 RMB
Accounts receivable	331,599,713	365,534,798
Less: Provision for bad debts	<u>(30,431,835)</u>	<u>(28,145,562)</u>
	<u>301,167,878</u>	<u>337,389,236</u>

The credit term granted by the Group to customers is generally about 1-3 months. The ageing analysis of accounts receivable based on the dates of recognition, is set out as follows:

	30 June 2025 RMB	31 December 2024 RMB
Within 90 days	268,623,689	290,655,473
91 to 180 days	32,998,255	19,811,124
181 to 365 days	13,736,797	41,613,400
Over 365 days	<u>16,240,972</u>	<u>13,454,801</u>
	<u>331,599,713</u>	<u>365,534,798</u>

9. ACCOUNTS PAYABLE

The ageing analysis of accounts payable based on the dates of recognition, is set out as follows:

	30 June 2025 RMB	31 December 2024 RMB
Within 90 days	94,935,363	149,975,478
91 to 180 days	37,802,913	22,881,469
181 to 365 days	18,785,586	13,752,280
Over 365 days	<u>69,894,717</u>	<u>72,784,843</u>
	<u>221,418,579</u>	<u>259,394,070</u>

Management Discussion and Analysis

For the six months ended 30 June 2025, the Group's total revenue amounted to RMB1,079,263,016, representing a decrease of 6.09% as compared to the corresponding period of 2024; net loss after tax amounted to RMB62,307,669 (the corresponding period of 2024: net loss of RMB256,552,623). Net loss attributable to shareholders amounted to RMB70,202,444 (the corresponding period of 2024: net loss attributable to shareholders of loss per share of RMB248,045,330); loss per share amounted to RMB0.15 (the corresponding period of 2024: loss per share amounted to RMB0.52). The decrease in net loss was mainly due to the provision for compensation payable for an arbitration case (the “**Arbitration Case**”) during the corresponding period of 2024. Excluding the impact of the Arbitration Case, the Group's net loss for the first half of 2025 increased by RMB78,555,038 as compared to the corresponding period last year, which are mainly due to: first, a decline in Meilan Airport's operational metrics, with aircraft takeoff and landing throughput and passenger throughput decreasing by 3.43% and 4.05% respectively year-on-year, which led to aviation-related revenue decreasing by RMB28,033,365 year-on-year; second, factors such as decline in passenger spending intentions resulted in a year-on-year decrease in non-aviation revenue of RMB41,980,874.

Operating Environment

Civil Aviation Industry of China

In the first half of 2025, China's civil aviation industry adhered to the overarching principle of seeking progress while maintaining stability, fully and accurately implementing the new development concept in a comprehensive manner, and serving the construction of a new development pattern, firmly establishing the concept of safe development, actively serving the expansion of domestic demand and opening up to the outside world, effectively responding to external shocks, deepening reforms in key areas, and continuously improving operational efficiency and service quality. As a result, the civil aviation industry achieved new results in high-quality development. The whole industry exhibited the characteristics of “overall stability, rapid international growth, strong freight resilience, and increased efficiency and benefits”. As at 30 June 2025, the entire industry achieved a total transportation turnover of 78.35 billion ton kilometers, passenger transport volume of 370 million person-times and cargo and mail transport volume of 4.784 million tons, representing an increase of 11.4%, 6% and 14.6% of the corresponding period last year, respectively, with transportation scale reaching a new high.

In July 2025, the Civil Aviation Administration of China (the “CAAC”) convened a 2025 national mid-year civil aviation work video and telephone conference, emphasizing nine key requirements: first, firmly establish a safe development philosophy to ensure overall stability in safety conditions; second, optimize the flight route network layout to actively serve the expansion of domestic demand and opening-up to the outside world; third, accelerate the construction of a unified national civil aviation market and comprehensively address “involuntary” competition within the industry; fourth, thoroughly complete the 14th Five-Year Plan and compile the 15th Five-Year Plan for civil aviation at a high level; fifth, deepen the construction of collaborative operation mechanisms and continuously improve the flight operation efficiency; sixth, strengthen the foundation of low-altitude safety control and orderly promote the development of general aviation and low-altitude economy; seventh, continue to deepen reforms in key areas and continuously enhance the industry’s intrinsic development momentum; eighth, integrate science, education, and talent work to enhance the industry’s self-reliance and controllability in development, etc.

The Group will comply with the requirements of each document issued by the CAAC, focus on the working objectives such as “safe development”, “optimization of the flight route network layout” and “improvement of the flight operation efficiency”, and continuously improve the service quality and operational efficiency of Meilan Airport.

Independent Customs Operation of the Hainan Free Trade Port

On 23 July 2025, the State Council Information Office of China held a press conference in Beijing to announce that the Hainan Free Trade Port (the “**Hainan Free Trade Port**”) will officially commence its independent customs operation on 18 December 2025. This operation will implement a “first-line opening, second-line control, in-island free movement (一線放開、二線管住、島內自由)” regulatory model. “First-line opening” designates the boundary between Hainan and other countries/regions outside China as the “first line”, implementing a series of free and facilitated entry-exit measures to ensure smoother global connectivity for Hainan; “Second-line control” manages precisely the flow of goods between Hainan and Mainland China; and “In-island free movement” ensures the relatively free flow of various production factors within Hainan Province.

The island-wide independent customs operation marks the beginning of a new phase in the opening-up and development of the Hainan Free Trade Port and represents a long-term and ongoing mission. Moving forward, in accordance with the decisions and deployment of the CPC Central Committee and the State Council, Hainan will leverage the independent customs operation as an opportunity to actively implement all policies, continuously refine the policies and systems based on local development needs, accelerate the establishment of a new open economic regime, and strive to build a pivotal gateway for China’s opening-up in the new era.

Following the press conference, a series of operation policies and supporting measures for the independent customs operation of the Hainan Free Trade Port have been introduced successively in key areas such as port operations, import and export management, goods taxation, and customs supervision:

- On 22 July 2025, the People’s Government of Hainan Province issued the Measures for the Recognition and Management of “Zero-Tariff” Imported Goods Benefit-Eligible Entity of the Hainan Free Trade Port (Trial) (《海南自由貿易港「零關稅」進口貨物享惠主體認定管理辦法(試行)》);
- On 23 July 2025, the General Administration of Customs of the People’s Republic of China (the “GAC”) issued the Interim Measures of the Customs of the People’s Republic of China on Tax Collection and Administration for Processing Value-added Duty-Free Goods in the Hainan Free Trade Port (《中華人民共和國海關對海南自由貿易港加工增值免關稅貨物稅收征管暫行辦法》) and the Measures of the Customs of the People’s Republic of China on the Supervision of the Hainan Free Trade Port (《中華人民共和國海關對海南自由貿易港監管辦法》);
- On 23 July 2025, the General Office of the People’s Government of Hainan Province issued the Interim Measures for the Administration of the Recognition of Goods Produced in Hainan under the Processing Value-added Duty-Free Policy of the Hainan Free Trade Port (《海南自由貿易港加工增值免關稅政策項下海南自產貨物認定管理暫行辦法》) and the Measures for the Supervision of Imported Goods under the Implementation of Exceptional Measures in the Hainan Free Trade Port (Trial) (《海南自由貿易港執行例外措施進口貨物的監管辦法(試行)》);
- On 23 July 2025, the Ministry of Finance, the GAC, and the State Administration of Taxation of the People’s Republic of China jointly issued the Notice on Tax Policies for the Goods Crossing the “First-Line” and “Second-Line” and In-island Flow in the Hainan Free Trade Port (《關於海南自由貿易港貨物進出「一線」、「二線」及在島內流通稅收政策的通知》).

Upon the independent customs operation of the Hainan Free Trade Port, enterprises will enjoy new policy benefits, including a significant increase in the coverage of “zero tariff” goods, and the scope of entities eligible for preferential treatment will basically cover all types of enterprises, institutions, and private non-enterprise units in Hainan Province that have actual import needs. For foreign personnel, restrictions on free entry and exit will be further relaxed, with more lenient temporary entry and exit policies for business personnel, more convenient work visa policies, and further improvements to the residency system.

As various policies and supporting measures in respect of the independent customs operation are implemented in detail, Hainan will be able to better gather global elements, allocate global resources, promote industrial development, and demonstrating its firm confidence and significant opportunities for higher-level opening up through the actual results of policy implementation.

Tourism in Hainan Province

During the six months ended 30 June 2025, the province received a total of 55.2129 million domestic and foreign tourists, representing a year-on-year increase of 8.1%, and the total tourism revenue was approximately RMB118.927 billion, representing a year-on-year increase of 8.4%.

Hainan's tourism market has shown strong growth during major holidays, attracting a large number of visitors and seeing steady increases in tourism spending. During the holiday of the Tomb Sweeping Festival, Hainan Province welcomed 1.5972 million visitors, representing a year-on-year increase of 4.3%; total visitor spending reached RMB2.018 billion, representing a year-on-year increase of 4.5%. During the holiday of the Labour Day, Hainan Province welcomed 3.8876 million visitors, representing a year-on-year increase of 17.0%; total visitor spending reached RMB5.245 billion, representing a year-on-year increase of 20.2%. During the holiday of the Dragon Boat Festival, Hainan Province welcomed 1.8551 million visitors, representing a year-on-year increase of 16.3%; total visitor spending reached RMB1.873 billion, representing a year-on-year increase of 12.8%.

In the first half of 2025, Hainan Province stood out particularly in the international tourism sector, with a total of 1,240,000 visitors entering and exiting through various ports, representing a year-on-year increase of 20.8%. Among these, 0.663 million were foreign visitors, representing a year-on-year increase of 48%. The proportion of foreign visitors entering Hainan under the visa-free policy reached 89%, up 6.6% compared to the same period in 2019, setting a new historical record. This growth is attributed to Hainan's ongoing optimisation of its visa-free policies. By the first half of 2025, citizens from 85 countries could enter Hainan Province visa-free with ordinary passports. Combined with policies such as 240-hour visa-free transit, 15-day visa-free entry for foreign tourist groups arriving by cruise ship, and 144-hour visa-free entry for foreign tourist groups from Hong Kong and Macao, Hainan's visa-free policies as a whole remain the best in the country. Additionally, Hainan has launched new international routes to London, Tokyo, and Jeddah, creating a dual advantage of "visa-free entry + direct flights". The number of foreign visitors entering Hainan via visa-free transit increased by 190% year-on-year, already exceeding the total for the entire previous year, highlighting Hainan's potential as an international tourism hub.

On 21 March 2025, the Hainan Provincial Leading Group for the Construction of an International Tourism and Consumption Centre and Tourism Market Rectification (海南省建設國際旅遊消費中心和旅遊市場整治領導小組) issued the “Work Plan for Hainan Tourism Service Quality Improvement Year” (《海南旅游服務質量提升年工作方案》), which clearly established 2025 as the Tourism Service Quality Improvement Year. The plan outlines ten major initiatives, including the improvement of tourism service standardisation, the enhancement of the tourism integrity system building, the strengthening of tourism public service guarantees, and the enhancement of international service capabilities, driving the transformation and upgrading of the tourism services in the province towards standardised, internationalised, and smartified development.

The hosting of special tourism events has added even more charm to Hainan’s tourism industry:

- On 12 February 2025, the Lantern Festival Fireworks Gala, themed “Enjoy the Fireworks at Haikou Bay(海口灣 看烟花)”, dazzled the night sky over Haikou. That evening, the total length of the spectator area along Haikou Bay reached 6 kilometers. As the highest-level fireworks display in the country, the evening featured multiple custom-designed high-altitude fireworks that illuminated the night sky, presenting audiences with a visual feast where technology and art seamlessly mixed. Under the influence of this nearly 40-minute fireworks gala, it drove a total tourism consumption of RMB526 million in Haikou and attracted 0.8279 million visitors.
- On 12 April 2025, the WATERBOMB Music Festival kicked off in Haikou with great fanfare. As a globally renowned water-themed interactive music festival brand, the WATERBOMB Music Festival is famous for its unique “dancing in the water” concept and team-based interactive segments. Bringing the WATERBOMB Music Festival to Haikou not only enriches the city’s tourism and cultural offerings, enhances its international profile, but also provides residents and visitors of the city with a fresh cultural and entertainment option. This further stimulates Haikou’s spring tourism market and supports the development of Hainan as an international tourism and consumption hub.

- On 14 April 2025, the Hainan Free Trade Port Global Industry Investment Conference – Tourism, Culture, and Sports Industry Investment Matchmaking and Negotiation Event was held in Haikou. The event invited over 80 representatives from well-known enterprises in the tourism, culture, sports, and broadcasting sectors, as well as a total of 196 representatives from financial institutions and media outlets. At the event, the Department of Tourism, Culture, Radio, Television and Sports of Hainan Province (the “**Hainan Department of Culture and Tourism**”) released the “2025 Tourism, Culture, and Sports Industry Investment Project Catalog of Hainan Province” (the “**Catalog**”, 《2025 年海南省旅遊文體產業招商項目書》), which includes 256 tourism, culture, and sports industry investment projects, with a total investment of approximately RMB240 billion. The Catalog highlighted several major and quality investment projects with high-potential and distinctive features in Hainan’s tourism and cultural sectors, including the Round-the-Island Tourism Highway Scenic and Leisure Tourism Project and the Hainan Tropical Rainforest National Park Ecotourism Project. The event achieved significant results in on-site signing, with 26 cooperation agreements signed, totaling RMB9.15 billion in investment. Additionally, cities and counties such as Haikou and Sanya, as well as the Hainan Health and Tourism Association, signed investment agreements and framework agreements with enterprises and institutions from various regions in a centralized manner, pressing the key “accelerator” for the high-quality development of Hainan’s tourism, culture, and sports industries.
- On 23 June 2025, the five-day Hainan Tourism and Culture Foreign Media Tour, themed “Hello! China • Sunshine Hainan(你好！中國 陽光海南)”, officially kicked off in Haikou. Media journalists from countries such as the United States, Japan, South Korea, Cuba, and the United Arab Emirates visited Haikou City, Qionghai City, Sanya City, and other areas, experiencing Hainan’s enchanting tropical landscapes and rich cultural heritage through the lens of overseas professional media. They also gained insights into the development of Hainan’s tourism and culture industry, showcasing a real, three-dimensional, and vibrant image of the Hainan Free Trade Port to the world.

The Group will pay close attention to the development trends of tourism in Hainan Province, actively cooperate with the local government to carry out the publicity and promotion of the tourism market, and seize the development opportunities to help Meilan Airport achieve new record of passenger and cargo and mail throughput.

Transportation within the Hainan Island

In the first half of 2025, Hainan accelerated the construction of a comprehensive three-dimensional transportation network, promoted the upgrading of transportation infrastructure, and actively advanced the construction of “two hubs” (i.e., the western land-sea new corridor international shipping hub and the aviation regional gateway hub facing the Pacific Ocean and Indian Ocean (the “**Two Oceans**”)), with a focus on building an international air and sea transportation network.

- In terms of road transportation, on 21 February 2025, the Around-Tropical-Rainforest-National-Park Scenic Highway’s sightseeing bus service officially commenced operation, introducing two themed routes: the “Haikou to Qiongzong Rainforest Discovery Journey (海口至瓊中雨林秘境之旅)” and “Haikou to Baisha Li Ethnic Homeland Oxygen Bar Journey (海口至白沙黎鄉氧吧之旅)”. These two routes connect the tourist attractions along the highway, including the Qiongzong Baihualing Tropical Rainforest Cultural Tourism Zone, Baisha Original-Ecology Tea Town, and Da’an Orchid Base, adding a vibrant new dimension to Hainan’s travel offerings.

In the first half of the year, the expansion project of the Greater Sanya section of the G98 Round-the-Island Expressway Expansion Project was fully advanced. The main line of the Greater Sanya section of the G98 Round-the-Island Expressway Expansion Project spans approximately 122.34 kilometers, connecting the four cities and counties of Lingshui, Baoting, Sanya and Ledong. Upon completion, this project will serve as a crucial transportation backbone for the construction of the Hainan Free Trade Port, playing a significant role in further optimising the transportation network of the “Greater Sanya” economic circle and in building a Hainan Free Trade Port of both high quality and high standard.

Meanwhile, the construction of the Shiyun to Baisha Expressway’s Yinggeling Tunnel and its connecting line project is also progressing rapidly. This project has a total investment amount of approximately RMB3.299 billion, with a total length of 38.42 kilometers. The Yinggeling Extra-Long Tunnel, approximately 8 kilometers in length, will be the longest tunnel in Hainan upon completion. It will enhance the economic influence and driving effects of central urban areas such as Haikou, Danzhou and Sanya on the island’s central regions, and promote the coordinated development and integration between coastal and mountain tourism resources.

- In terms of ports, all of the 10 “second-tier ports” of Hainan have passed national inspection and acceptance. Customs authorities are now fully engaged in real-world drills for the independent customs operation, conducting iterative tests to optimize procedures and ensure a smooth and orderly independent customs operation. Among these, the Yangpu Economic Development Zone, as a pioneering demonstration area for the development of the Hainan Free Trade Port, has incubated certain policies such as the “zero-tariff” list and tax exemptions for value-added processing, laying the foundation for independent customs operation.

- In terms of railways, starting from 7 March 2025, the Hainan Round-the-Island High-Speed Railway implemented a timetable adjustment. By adding “stop-at-every-station trains” and implementing a same-day single-use ticket system, the transportation capacity of the Hainan Round-the-Island High-Speed Railway will be further enhanced, making travel more flexible and convenient for passengers. The “stop-at-every-station trains” operate like intercity buses, with the shortest interval between two trains being just 10 minutes, increasing the frequency of train services and basically meeting the demand for passengers to have a train available upon arrival at the station. Among these, 47 pairs of “stop-at-every-station trains” are added between Haikou East Station and Sanya Station. Direct trains between Haikou East Station and Sanya Station have also increased from 1.5 pairs to 4.5 pairs, further improving travel efficiency for passengers.
- In terms of airports, on 17 January 2025, the Hainan Province Open Skies Working Group Office (海南省開放航權工作專班辦公室) issued the “Several Measures for Promoting High-Quality Development of Aviation Logistics in Hainan Province” (《海南省促進航空物流高質量發展若干措施》), which clearly outlined the overall goals for aviation logistics in the Hainan Free Trade Port. By the end of 2025, a relatively complete aviation logistics support system will be established, with the cargo and mail throughput across all airports in the province aiming to reach 320,000 tons, the number of international cargo routes exceeding 10, and international air cargo and mail throughput exceeding 25,000 tons. By the end of 2027, the province aims to achieve a total cargo and mail throughput of 350,000 tons across all airports, with the number of international cargo routes exceeding 12, and international air cargo and mail throughput exceeding 28,000 tons. To systematically advance the development of aviation passenger and cargo hubs, efforts will be made to promote differentiated functional positioning among all airports in the province. Meilan Airport is positioned as the province’s main regional aviation hub airport, serving both passengers and cargo, emphasizing on route network connectivity and hub functions; Sanya Phoenix International Airport is positioned as a secondary regional aviation hub airport, primarily serving passengers while also accommodating cargo, researching and applying for national logistics hub status as an airport type, and accelerating the phase three expansion project, aiming for completion by the end of 2025; Qionghai Bo’ao International Airport is positioned as an important feeder airport, strengthening cargo functions while also supporting Hainan’s business jet services, accelerating the phase three expansion project, aiming for completion by the end of 2025; Dongfang Airport is positioned as a feeder airport, being developed as a cargo-featured airport, aiming to begin construction in 2025.

Offshore Duty-free

To support the high-quality integrated development of Hainan's culture, sports, tourism, duty-free shopping, and service industries, and to promote the construction of Hainan as a free trade port and a world-class tourist destination, Haikou Customs launched the "Ten Measures of Haikou Customs to Promote the Upgrading of Tourism Consumption in Hainan Free Trade Port" (《海口海關促進海南自由貿易港旅遊消費升級十項措施》) in March 2025. The main upgrading measures related to duty-free shopping are as follows:

- Expand the scope of duty-free displays: support duty-free enterprises in conducting display and promotional activities in popular tourist cities, hotels, and scenic spots. Promote the synergistic upgrading of the "exhibition + duty-free" effect, innovate and optimise the display methods and processes for duty-free goods leaving warehouses (stores), and support duty-free enterprises in deeply participating in the display, promotion, and sales services of major exhibitions through multiple channels.
- Provide tax-free shopping convenience: support the expansion of different types of identification documents of foreigners, such as permanent resident cards and electronic ID cards, for use in tax-free shopping. Implement electronic label convenience queries for offshore duty-free cosmetics, and support convenient service measures such as "zero-wait" online payment for parcel taxes on oversized duty-free goods. Support "cross-store purchases" between duty-free stores within the same airport to facilitate passenger shopping.
- Compress duty-free delivery time: optimise the regulatory model for duty-free logistics and delivery, support the co-transportation and rapid delivery of offshore or outbound duty-free goods, and support the use of new technologies such as "smart locks" and "drones" for the delivery of offshore duty-free goods, which simplifies regulatory procedures, compresses delivery time, thus providing travelers with more time for shopping.

Against the backdrop of deepening construction of Hainan Free Trade Port and continuing release of benefits from the offshore duty-free policies, the "Shop in Hainan • the 4th Hainan International Offshore Duty-Free Shopping Festival and the 7th China Duty-Free Hainan Duty-Free Shopping Festival of 2025" (購在海南•2025第四屆海南國際離島免稅購物節暨第七屆中免海南免稅購物節), co-organised by the Department of Commerce of Hainan Province and China Tourism Group Duty Free Corporation Limited, with support from the Hainan Department of Culture and Tourism, the People's Government of Haikou City and the People's Government of Sanya City, grandly opened on 4 July 2025. The shopping festivals feature "RMB100 Million Subsidies + N kinds of Duty-Free Experiences" as core highlights, aiming to stimulate new consumer vitality and create a new summer shopping experience.

cdf Haikou Meilan Airport duty-free shops (“**Meilan Airport duty-free shops**”) have innovatively launched a “Duty-Free Blind Box” series, featuring carefully selected popular categories like lipsticks and perfumes that are highly favored by consumers. This series is sold at fixed price ranges, allowing customers to open blind boxes and receive high-value duty-free items for an exceptional surprise experience. Additionally, Meilan Airport duty-free shops continue to roll out targeted promotional activities during holidays and off-peak hours, catering to diverse traveler needs.

For the six months ended 30 June 2025, the retail sales of offshore duty-free goods in Hainan Province amounted to approximately RMB16.761 billion, the number of duty-free shoppers was approximately 2.482 million and the number of duty-free commodities sold was approximately 14.875 million, representing year-on-year decrease of 9.2%, 26.2% and 24.8%, respectively, which was mainly due to the increase in overseas travel to Southeast Asia and other countries which resulted in serious diversion of overseas shopping, and at the same time, global economic uncertainties have led to consumption downgrades among travelers, as their willingness to consume has weakened, and more attention has been paid to the pursuit of products offering high value for money, while domestic brands have risen rapidly in the fields of beauty, daily necessities and other fields with their high cost performance, diverting consumer groups that previously relied on imported goods, thus resulting in a decrease in offshore duty-free sales and other indicators of the whole province.

Business and Revenue Review

Overview

In the first half of 2025, Meilan Airport faced challenges such as decline in passenger spending intentions due to the impact of the macroeconomic environment and the traffic diversion as a result of continuous improvement of various modes of transportation. However, supported by positive factors such as policy support and route optimisation, the airport generally maintained a steady development trend. Focusing on its goal of building of a regional aviation gateway hub facing the “Two Oceans”, Meilan Airport advanced work in areas such as safe operations, market expansion and passenger services, thereby laying a solid foundation for achieving its annual targets.

In the first half of 2025, Meilan Airport launched new domestic flights to cities such as Yiwu, Meizhou, Qingyang, Xingtai, Xiangxi, Aksu and Yili, continuously improving its route network layout to provide passengers with a more convenient travel experience. Internationally, the airport accelerated the development of its international route network, and actively promoted the development of the seventh cargo route from Haikou to Europe and the seventh passenger route from Haikou to Southeast Asia. At the same time, it launched through-check-in service via Haikou, with eight international through-travel destinations available.

In the first half of 2025, Meilan Airport received many domestic and international awards for its excellent passenger service experience: a total of 72 awards at industrial, provincial and ministerial levels or above, including 4 important international awards, 12 national-level awards, 22 awards of provincial and ministerial levels, and 34 industrial and honorable awards. Internationally, Meilan Airport won “the World’s 5-Star Airports by SKYTRAX” (SKYTRAX全球五星機場) title for the eighth consecutive time, and was awarded the “Best Regional Airport in China” and “Best Airport Staff in China”. Additionally, it received the “ASQ (Airport Service Quality) 2024 Asia-Pacific Region Best Airport (15 to 25 Million Passengers Per Year)” (ASQ 2024年度亞太區最佳機場 (1,500-2,500萬規模組)) award from the ACI (Airports Council International). Domestically, Meilan Airport was granted a number of prestigious awards including “CAPSE 2024 Best Airport for Airline Satisfaction (for airports with 10 million passengers or more in Mainland China)” (CAPSE 2024航空公司滿意度最佳機場 (中國內地吞吐量1,000萬級以上)) and the “CAPSE 2024 Excellence Award for Baggage Service Improvement” (CAPSE 2024行李服務提升卓越獎) by CAPSE (Civil Aviation Passenger Service Evaluation). These honors indicated that the service quality and business standard of Meilan Airport has been highly recognised and endorsed by the vast number of passengers and authoritative institutions, which has improved the brand awareness and industry influence of Meilan Airport.

With respect to the construction of smart airport, in the first half of 2025, Meilan Airport closely followed the “Digital China” strategic deployment, taking digital and intelligent transformation as the core driving force to deepen industry technical exchanges. It conducted multiple rounds of technical discussions with leading enterprises and solution providers in the aviation technology field, focusing on cutting-edge directions such as AI algorithm optimisation, IoT architecture upgrades, and big data platform construction. Together, we built a knowledge-empowered platform and successfully held two sessions of “DeepSeek Smart Lecture Series”, inviting top domestic AI experts to provide in-depth analyses on topics such as large-scale model technical architectures and smart airport application scenarios. Additionally, we collaborated with several leading industry companies to conduct innovative testing of DeepSeek’s application at Meilan Airport. Currently, the foundational infrastructure for an enterprise-level intelligent computing centre has been deployed, laying a solid foundation for the subsequent further application of intelligent large-scale models at Meilan Airport and continuously driving the digital and intelligent transformation practices at Meilan Airport.

Meanwhile, Meilan Airport actively explored ways to enhance both passenger services and smart airport construction. In the first half of 2025, four major business systems were launched: the “Meilan Airport Control Zone ID System” (美蘭機場控制區證件系統) enables fully online, paperless processing of personnel and vehicle access permits, as well as pilots’ licenses in the aircraft activity zone; the “Meilan Airport Flight Zone Detection and Dispersal System” (美蘭機場飛行區探驅控制系統) enables automatic detection, identification, statistics, and coordinated bird dispersal, with coordinated bird dispersal equipment improving bird management efficiency by 50%; the “Meilan Airport Smart Firefighting System” (美蘭機場智慧消防系統) establishes an interconnected firefighting system across terminals and units, meeting the Level 9 firefighting requirements of the “Civil Aviation Transport Airport Fire Station Management Regulations” (《民用航空運輸機場消防站管理規定》); the “Meilan Airport Wireless Apron System” (美蘭機場無線站坪系統) achieves full digital coverage of apron operations and flight support services. Meanwhile, in the first half of 2025, Meilan Airport established an online employee reception hall, creating an integrated platform for collecting employee opinions and suggestions, addressing employee concerns, and handling disciplinary inspection and supervision matters.

From 10 to 11 April 2025, Meilan Airport and China Civil Aviation Newspaper Agency jointly hosted the 4th Civil Aviation Digital Intelligence and Low-Carbon Development Forum. This forum was not only a bold exploration and practice by Meilan Airport in hosting smart forums and developing the exhibition economy, but also brought economic and social benefits to Meilan Airport. This forum reinforced Meilan Airport’s brand image as a “smart hub” and successfully attracted the participation and sponsorship of several companies. At the same time, Meilan Airport combined its VIP room resources and duty-free resources with the forum, with the VIP room providing on-site services and Meilan Airport duty-free shops offering a 15% discount on duty-free purchases to participants, attracting many guests to participate. Furthermore, the forum served as a platform for technological empowerment and resource matching for the exhibition industry, promoting the integration of “exhibitions + aviation”. During the forum, the People’s Government of Haikou City simultaneously promoted Hainan Free Trade Port policies, which attracted attention from airport construction and service providers nationwide, thus laying the foundation for future exhibition cooperation.

In April 2025, Meilan Airport’s cargo handling system and VIP management system were awarded the “2024 Digital Intelligence-Driven Enterprise Innovation and Development Case” in the construction and service categories respectively by the China Enterprise News Group. In June 2025, Harbours Stands Management System (港灣機位管理系統) and Apron Hotspot Traffic Light Project (機坪熱點區域紅綠燈項目) of Meilan Airport were awarded the “2025 Best Practice for the Application of New Technologies in Smart Apron” in the fields of “Operational Intelligence” and “Airfield Traffic Monitoring” respectively.

In June 2025, Meilan Airport and Singapore Changi Airport Group (新加坡樟宜機場集團) jointly signed a Memorandum of Understanding for Establishment of Partnership Airports. The two parties will further strengthen exchanges and cooperation in areas such as route development, cargo development, information and knowledge sharing, and the application of new technologies, deepening the connection between the two regions and promoting mutually beneficial development. This signing marks a new phase in our cooperation, representing another significant achievement in deepening our partnership, and also an important step for Meilan Airport in accelerating its efforts to build a regional aviation gateway hub facing the “Two Oceans”.

Meilan Airport and Changi Airports China Pte. Ltd. (新加坡樟宜機場(中國)有限公司) (a wholly-owned subsidiary of Changi Airports International Pte. Ltd.) have jointly established the Sino-Singapore (Hainan) Airport Commercial Management Co., Ltd. (中新(海南)空港商業管理有限公司) (“**Sino-Singapore Airport**”), which officially commenced operations on 1 January 2025. In the first half of 2025, Sino-Singapore Airport advanced the commercial renovation of terminals, enhancing commercial space utilization, adjusting the overall layout, optimizing passenger flow routes, and increasing passenger store visit rates to create a unique airport commercial environment. Additionally, it established pop-up stores for international brands such as Dior and Burberry to enhance brand visibility; centred on the “duty-free+” concept, exploring innovative marketing models integrating duty-free operations with concerts, culture, and creative industries, closely collaborating with government agencies to actively organise themed events. It successfully secured Meilan Airport as the official authorised support point for Eason Chan’s concert (陳奕迅演唱會), setting a precedent in China’s civil aviation industry and driving offshore duty-free sales, while deeply empowering Haikou’s development as an “International Performing Arts Capital” (國際演藝之都); simultaneously, Sino-Singapore Airport have precisely designed differentiated marketing products tailored to different passenger groups, achieving an integrated model of “culture and tourism + commerce + services” to provide passengers with a higher-quality travel experience; leveraging the establishment of the Sino-Singapore Airport, we have further optimised the investment promotion system. The newly revised system achieves multiple institutional innovations, streamlined processes, and market focus, realising a win-win outcome for operational revenue and brand benefits, enhancing investment promotion efficiency, and further improving the turnover speed and investment promotion efficiency of airport commercial resources.

In the first half of 2025, Hainan Meilan Airport Hotel Investment Co., Ltd. (“**Meilan Airport Hotel**”) received a total of 7 awards and honours, including awards and honours granted by four online cooperation platforms, namely, Trip.com Group, Fliggy, Meituan Hotel (美團酒店) and Zhiketong (直客通). It also won two airline service awards from Tianjin Airlines and Longjiang Airlines. Among which, Trip.com Group awarded the Company the “2024 Best Popularity Recommended Hotel”, Fliggy awarded the “2024 Star Hotel”, Meituan Hotel awarded the “2024 Outstanding Business Travel Hotel”, and Zhiketong Technology awarded the “2024 Outstanding Digital Marketing Merchant”. Meilan Airport Hotel served approximately 0.2103 million guests during the six months ended 30 June 2025, with a room occupancy rate of 75.08%, representing a decrease of 11.33 percentage points over the corresponding period of last year. The main reason for the decline in occupancy rate is the moving out of the Meilan Airport Hotel by crew members of some airlines following the improvement of conditions for their base accommodation, and the decrease in the passenger throughput of Meilan Airport. To achieve the annual target, Meilan Airport Hotel actively optimised the source market of various channels, and established long-term cooperation with more than 20 domestic and foreign airlines to guarantee the accommodation and dining arrangements for the airline crews. At the same time, actively strived to increase the number of international transit passengers staying at the hotel and using its catering services. Meilan Airport Hotel continued to develop cooperation with government and civil aviation institutions for conference and training rooms, and to develop business such as reception for international and domestic tour groups in transit.

Overview of Aviation Business

In the first half of 2025, Meilan Airport intensified the route network layout and continued to improve the network of domestic and overseas routes. The Company actively communicated with airlines to increase wide-body aircraft transportation capacity at popular destinations to meet passenger travelling needs. In addition, the Company paid close attention to market trends, seized favorable opportunities such as micro-seasonal trends (i.e., focusing on seasonal passenger flow changes during the Spring Festival travel rush, May Day holiday and summer travel season, etc.), large-scale local convention and exhibition activities, and new international shipping routes, publicized the Haikou market on a number of mainstream media, and transmitted favorable market information. Meanwhile, the Company cooperated with major airlines and Online Travel Agency (OTA) platforms to carry out promotional activities to attract traffic for the airline market and increase market development efforts.

In the first half of 2025, Meilan Airport operated a total of 244 routes, including 206 domestic routes, 35 international and regional routes and 3 international freight routes, and 146 destinations, including 119 domestic destinations, 23 international and regional destinations and 4 international freight destinations, representing an increase of 42 new routes, including 33 domestic passenger routes, 8 international passenger routes and 1 international freight route and an increase of 11 new destinations, including 7 domestic passenger destinations, 3 overseas passenger destinations and 1 international freight destination as compared to the whole year of last year. A total of 46 airlines operated at Meilan Airport, including 36 domestic airlines, 8 international and regional airlines and 2 international freight airlines.

Haikou has significantly strengthened its connectivity with global aviation hubs and major international metropolises. In the first half of 2025, Meilan Airport launched the “Haikou = London” route, opened the “Haikou = Tokyo” route while maintaining stable operations of the “Haikou = Osaka” route, and inaugurated the “Haikou = Jeddah” route, Hainan’s first route to Saudi Arabia. Concurrently, routes to Seattle (USA), Dubai (UAE), Auckland (New Zealand) and Sydney and Melbourne (Australia) demonstrated robust operational performance. Meilan Airport intensified efforts to develop through-check-in services transferring via Haikou, expanding its through-check-in services – featuring one-time check-in and direct baggage transfer – to eight international destinations covering Sydney, Melbourne, Auckland, Moscow, Dubai and Kuala Lumpur. The southbound passenger traffic in the “Mainland = Hainan = Southeast Asia/Australia-New Zealand” has further increased.

Starting from August 2025, Hainan Airlines’ route between Meilan Airport and Beijing Capital International Airport launched the “Free Trade Port Express Speed Upgrade” service. This initiative eliminates check-in cutoff time restrictions for passengers without checked baggage. Such passengers only need to complete security checks and arrive at the boarding gate 15 minutes before the flight’s scheduled departure to board. This service provides passengers without checked baggage with more flexibility in their travel schedules.

Details of the aviation traffic throughput for the six months ended 30 June 2025 and the comparative figures in the corresponding period of last year are set out below:

	For the six months ended 30 June		
	2025	2024	Change
Aircraft takeoff and landing (flights)	95,537	98,929	-3.43%
in which: domestic	89,650	93,251	-3.86%
international and regional	5,887	5,678	3.68%
Passenger throughput (headcount in ten thousand)	1,390.72	1,449.37	-4.05%
in which: domestic	1,323.16	1,390.89	-4.87%
international and regional	67.56	58.48	15.53%
Cargo and mail throughput (tons)	116,691.10	116,356.00	0.29%
in which: domestic	106,105.90	106,891.20	-0.73%
international and regional	10,585.20	9,464.80	11.84%

The Group's revenue from aviation business for the six months ended 30 June 2025 was RMB575,602,215, representing a decrease of 4.64% as compared to the corresponding period of 2024. The decrease in the revenue from aviation business was mainly due to the fact that passengers who switched to other modes of transportation due to weather conditions in the first half of 2024, had returned to air travel this year, and with the continuous improvement of various modes of transportation, passengers now have more diverse travel options, leading to a decline in Meilan Airport's operational metrics, with aircraft takeoff and landing throughput and passenger throughput decreasing by 3.43% and 4.05% respectively year-on-year. Details are as follows:

	For the six months ended 30 June 2025 (RMB)	Changes over the corresponding period of 2024
Passenger service charges	276,059,804	-2.52%
Ground handling service income	195,790,687	-5.67%
Fees and related charges on aircraft takeoff and landing	103,751,724	-8.08%
Total revenue from aviation business	<u>575,602,215</u>	<u>-4.64%</u>

Overview of Non-aviation Business

For the six months ended 30 June 2025, due to the impact of the factors such as the weakening in passenger spending intentions and the decrease in passenger throughput at Meilan Airport during the period, resulting in a year-on-year decline in non-aviation business revenue. The Group achieved non-aviation business revenue of RMB503,660,801, representing a decrease of 7.69% as compared to the corresponding period of 2024.

	For the six months ended 30 June 2025 (RMB)	Changes over the corresponding period of 2024
Franchise income	243,366,251	2.51%
Hotel income	56,298,732	-11.59%
Freight and packaging income	59,054,195	-2.41%
Rental income	43,751,821	-7.78%
VIP room income	30,853,103	-13.71%
Other income	<u>70,336,699</u>	<u>-30.25%</u>
Total revenue from non-aviation business	<u>503,660,801</u>	<u>-7.69%</u>

Franchise Income

In the first half of 2025, the franchise income of the Group aggregated to RMB243,366,251, representing a year-on-year increase of 2.51%, which was mainly attributable to the increase in the income of advertising franchise of Meilan Airport, thereby leading to a year-on-year increase in franchise income of the Group.

Hotel Income

In the first half of 2025, the hotel income of the Group aggregated to RMB56,298,732, representing a year-on-year decrease of 11.59%, which was mainly due to the moving out of the Meilan Airport Hotel by crew members of some airlines following their improvement of conditions for base accommodation, and the decrease in the occupancy rate of Meilan Airport Hotel as a result of the decrease in the passenger throughput of Meilan Airport.

Freight and Packaging Income

In the first half of 2025, the freight and packaging income of the Group aggregated to RMB59,054,195, representing a year-on-year decrease of 2.41%, which was mainly due to the year-on-year decline in the volume of fresh products shipped domestically in the first half of the year as a result of the lingering impact of Typhoon “Yagi” in 2024, resulting in a decrease in revenue from freight shipping ground operations.

Rental Income

In the first half of 2025, the rental income of the Group aggregated to RMB43,751,821, representing a year-on-year decrease of 7.78%, which was mainly due to the decrease in rental income of the Group as compared to the corresponding period last year as a result of the reduction in retail store rents due to a decline in passenger spending intentions.

VIP Room Income

In the first half of 2025, the VIP room income of the Group aggregated to RMB30,853,103, representing a year-on-year decrease of 13.71%, which was mainly attributable to the decrease in passenger throughput at Meilan Airport, resulting in a decrease in business volume for VIP room service at Meilan Airport.

Financial Review

Asset Analysis

As at 30 June 2025, the total assets of the Group amounted to RMB10,623,864,432, representing a decrease of 3.27% as compared to that as at 31 December 2024, among which, current assets amounted to RMB865,438,337, representing approximately 8.15% of the total assets; and non-current assets amounted to RMB9,758,426,095, representing approximately 91.85% of the total assets.

Cost and Expense Analysis

For the six months ended 30 June 2025, the Group's operating costs amounted to RMB1,046,064,572, the sales expenses amounted to RMB1,613,179, and the administrative expenses amounted to RMB52,625,964, the operating costs, sales expenses and administrative expenses amounted to a total of RMB1,100,303,715, which represented an increase of 5.79% as compared to that of the corresponding period of 2024. The reasons for the changes in costs and expenses are as follows:

- (1) the employee salaries and benefit expenses, and outsourcing and sub-contracted labour costs increased by RMB13,648,705 as compared with that of the corresponding period of 2024, which was mainly due to first, the natural increase in the contribution bases for provident fund and seniority-based wages; second, the new demands of the Group for sub-contracted labour based on personnel recruitment plan and its production and operational supports in the second half of 2024;
- (2) the depreciation expenses and amortisation expenses for intangible assets increased by RMB7,037,361 as compared to the corresponding period of 2024, which was mainly due to the acquisition of new assets during the period, resulting in an increase in depreciation and amortisation expenses; and
- (3) maintenance expenses increased by RMB19,213,856 as compared to the corresponding period of 2024, which was mainly due to an increase in demand for maintenance and renovation at Meilan Airport for the period as a result of the expiry of the warranty period for part of equipment and facilities at Terminal 2 of Meilan Airport.

For the six months ended 30 June 2025, the finance expenses of the Group amounted to RMB57,574,061, representing a decrease of RMB5,100,514 as compared to that of corresponding period of 2024, which was mainly due to the decrease in finance expenses as the result of the reduction in interest rate of the New Syndicated Loan and the decrease of interest expenses on lease liabilities.

Gearing Ratio

As at 30 June 2025, the Group had total current assets of RMB865,438,337, total assets of RMB10,623,864,432, total current liabilities of RMB4,110,427,615, total liabilities of RMB6,615,336,155. As at 30 June 2025, the Group's gearing ratio (total liabilities/total assets) was 62.27%, representing a decrease of 0.84% as compared to that as at 31 December 2024.

Pledge of Assets

As mentioned in the announcement of the Company dated 1 February 2018 and the circular of the Company dated 6 March 2018, the Company and Haikou Meilan International Airport Co., Ltd. (the “**Parent Company**”), as co-borrowers, pledged the lands and buildings owned by the Company and the Parent Company as security to secure a syndicated loan (the “**Original Syndicated Loan**”) of RMB7.8 billion from China Development Bank Corporation Limited, Hainan Branch of Industrial and Commercial Bank of China Limited and Hainan Branch of Agricultural Bank of China Limited, as co-lenders, for a period of 20 years. The loan proceeds shall be solely used for the construction of the airport project under the Phase II Expansion Project of Meilan Airport (the “**Airport Project**”).

As mentioned in the announcement of the Company dated 31 December 2024 and the circular of the Company dated 28 January 2025, the Company and the Parent Company, as co-borrowers, pledged the lands and buildings owned by the Company and the Parent Company as security to secure a syndicated loan (the “**New Syndicated Loan**”) of RMB6.36327 billion from Hainan Branch of China Development Bank and Haikou Jiangdong Branch of Industrial and Commercial Bank of China Limited, as co-lenders, for a period of 20 years. The loan proceeds shall be used to repay the outstanding amount of the Original Syndicated Loan and for the construction of the Airport Project.

Capital Structure

The major objective of the Group’s capital management is to ensure the ability of the Group’s ongoing operations and to maintain a healthy capital ratio in order to support its business and maximize shareholders’ interests. The Group continued to emphasize the appropriate mix of equity and debt to ensure an efficient capital structure to reduce capital cost.

As at 30 June 2025, the interest bearing debts of the Group mainly included bank loans and finance lease (the “**Total Borrowings**”), amounting to approximately RMB2,997,351,828 in aggregate, and the cash and cash equivalents were approximately RMB507,813,727. The gearing ratio (net liabilities/total capital) of the Group was 38.31% as at 30 June 2025 (31 December 2024: 37.94%), representing an increase of 0.37% as compared to that of 31 December 2024.

The Group maintained a balanced portfolio of loans at fixed interest rates and variable rates to manage interest expenses. As at 30 June 2025, the New Syndicated Loan contract was denominated in Renminbi with a floating rate, of which the amount is RMB1,813,983,241.

The Group aimed to keep the balance between the continuity and flexibility of funds through utilizing its Total Borrowings. As at 30 June 2025, 19.93% of Total Borrowings of the Group would become due within one year. As at 30 June 2025, the bank loans of the Group were denominated in Renminbi, the cash and cash equivalents were mainly held in Renminbi.

Cash Flow

For the six months ended 30 June 2025, the Group's net cash inflow from operating activities was RMB278,225,679, representing a year-on-year increase of 19.16%, which was mainly due to a decrease in operating payments.

For the six months ended 30 June 2025, the Group's net cash outflow for investment activities was RMB98,131,144, representing a year-on-year decrease of 79.44%, which was mainly due to a decrease in the payment for the construction of the Airport Project during the period as compared to the corresponding period last year.

For the six months ended 30 June 2025, the Group's net cash outflow for financing activities was RMB213,363,586, representing a year-on-year increase of 432.76%, which was mainly due to that the combined effect of the receipt of the sale and leaseback payment in the previous period and the reduction in lease liabilities paid in the current period.

Significant Investments Held and Their Performances

As at 30 June 2025, the Group had no material investment enterprises.

Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

For the six months ended 30 June 2025, the Company did not carry out any other material acquisitions or disposals of subsidiaries, associated companies or joint ventures.

Employees and Remuneration Policy

As at 30 June 2025, the Group had a total of 4,116 employees, representing a decrease of 73 employees as compared to that at the end of 2024. Employees of the Group are remunerated based on their performances, seniority and prevailing industry practices. The Group reviews its remuneration policy on a regular basis. Bonuses and commissions may be awarded to the employees as incentives based on the assessment of their performance.

Retirement Pension

The Group shall participate in the retirement scheme operated by the relevant local governmental institutions, and make a contribution at a certain percentage of the salary of the employees with permanent residence in the PRC (according to the retirement pension policies in Hainan Province, the contribution ratio for the six months ended 30 June 2025 was 16%). Once the Group contributes to the retirement scheme, the employer's contribution is fully owned by the employees. For the six months ended 30 June 2025, the pension contribution of the Group was approximately RMB50,654,386 (for the corresponding period of 2024, the pension contribution was approximately RMB48,498,323).

Entrusted Deposits and Overdue Time Deposits

As at 30 June 2025, the Group did not have any entrusted deposits or overdue time deposits.

Contingent Liabilities

Save for the arrangements under the New Syndicated Loan, as at 30 June 2025, the Group has no other significant contingent liabilities.

Exposure to Foreign Exchange Risks

The businesses of the Group are principally conducted in Renminbi, except certain revenue from the aviation business, purchase of equipment and consultation service fees which are denominated in US dollars or HK dollars. The Group has not entered into any forward contracts to hedge its exposure to foreign exchange risks.

Interest Rate Risk

The Group's interest rate risk mainly arises from interest bearing borrowings including short-term borrowings, the New Syndicated Loan and long-term payables. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk.

EVENT AFTER THE REPORTING PERIOD

There were no important events affecting the Group that have occurred since 30 June 2025.

NO OTHER MATERIAL CHANGE

Other than those disclosed in this announcement, there has been no other material change in relation to the information disclosed in the 2024 annual report in accordance with Rule 32 set out in Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

THE PROGRESS OF PROPOSED ISSUANCE OF NEW DOMESTIC SHARES AND NEW H SHARES

References are made to the circulars of the Company dated 28 April 2017, 6 March 2018, 18 April 2019 and 7 January 2020 in relation to, among other things, the past Parent Company subscription and the past new H shares issue and the extension of validity period of the shareholders’ resolutions and authorisation granted to the Board in relation to the past Parent Company subscription and the past new H shares issue.

According to the past Parent Company subscription, the Parent Company agreed to subscribe for the new domestic shares, which include:

- (1) 189,987,125 new domestic shares as consideration for the transfer of the assets in relation to the Phase I runway of Meilan Airport by the Parent Company to the Company; and
- (2) 12,500,000 new domestic shares by cash at an aggregate subscription price of RMB100,000,000, at the subscription price of RMB8.00 per new domestic share.

Pursuant to the past new H shares issue, the Company may proceed to place not more than 200,000,000 new H shares to qualified institutions, corporation and individuals and other investors.

The validity period of the shareholders’ resolutions and authorisation granted to the Board in relation to the past Parent Company subscription and the past new H shares issue expired on 25 June 2020.

References are made to the announcement of the Company dated 24 July 2020 and the circular of the Company dated 20 August 2020 in relation to, among other things, the Parent Company subscription and the new H shares issue. On 24 July 2020, the Company and the Parent Company entered into the Parent Company domestic shares subscription agreement (the “**2020 Parent Company Domestic Shares Subscription Agreement**”), pursuant to which, the Parent Company agreed to subscribe for the subscription shares, being not more than 140,741,000 new domestic shares as consideration for the transfer of the assets in relation to the Phase I runway of Meilan Airport by the Parent Company to the Company (the “**Parent Company Subscription**”). There is no other material change on the terms of the 2020 Parent Company Domestic Shares Subscription Agreement as compared to those in the past Parent Company domestic shares subscription agreements, except for the adjustments to the subscription price, number and method for the subscription shares. Meanwhile, the Board proposed the new H shares issue (i.e. issue of not more than 155,000,000 new H shares) (the “**New H Shares Issue**”). In relation to the Parent Company Subscription and the New H Shares Issue, the Company held the extraordinary general meeting, the H shareholders class meeting and the domestic shareholders class meeting on 18 September 2020, where the relevant resolutions were considered and approved.

References are made to the announcement of the Company dated 21 August 2021 and the circular dated 21 September 2021 in relation to, among other things, the Parent Company Subscription and the New H Shares Issue. On 21 August 2021, the Company and the Parent Company entered into the 2021 Supplemental Parent Company Domestic Shares Subscription Agreement, pursuant to which, the Company and the Parent Company mutually agreed to make certain amendments to the 2020 Parent Company Domestic Shares Subscription Agreement. The Company held the extraordinary general meeting, the H shareholders class meeting and the domestic shareholders class meeting on 8 October 2021, where the relevant resolutions were considered and approved to extend the validity period of shareholders’ resolutions and authorisation granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue for a further period of twelve months, commencing from 18 September 2021 and ending on 17 September 2022.

References are made to the announcement of the Company dated 8 August 2022 and the circular of the Company dated 30 September 2022 in relation to, among other things, the Parent Company Subscription and the New H Shares Issue. The Company held the extraordinary general meeting, the H shareholders class meeting and the domestic shareholders class meeting on 8 November 2022, where the relevant resolutions were considered and approved to extend the validity period of shareholders’ resolutions and authorization granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue for a further period of twelve months, commencing from 18 September 2022 and ending on 17 September 2023.

References are made to the announcement of the Company dated 17 September 2023 and the circular dated 16 November 2023 in relation to, among others, the Parent Company Subscription and the New H Shares Issue. The Company held the extraordinary general meeting, the H shareholders class meeting and the domestic shareholders class meeting on 20 December 2023, where the relevant resolutions were considered and approved to extend the validity period of shareholders' resolutions and authorization granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue for a further period of twelve months, commencing from 18 September 2023 and ending on 17 September 2024. The validity period of the shareholders' resolutions and authorisation granted to the Board in relation to the Parent Company Subscription and the New H Shares Issue expired on 17 September 2024.

The completion of the Parent Company Subscription and the New H Shares Issue shall be subject to certain conditions precedent, respectively. For details, please refer to the circulars of the Company dated 20 August 2020, 21 September 2021, 30 September 2022 and 16 November 2023. As at the date of this announcement, none of such conditions precedent was satisfied or waived. The Company will notify the shareholders and potential investors of the Company with the information on the progress of the Parent Company Subscription and the New H Shares Issue in the future (if necessary).

RISK MANAGEMENT AND INTERNAL CONTROLS

In the first half of 2025, the Group has actively conducted scientific analysis and teased out the operational deficiencies or potential risks identified during the course of work, in order to systematically organise, mitigate and monitor potential risks and to build a governance environment with risks under control and compliant operations.

In the second half of 2025, the Group will continue to carry out the “Promotion Work over the Risk Management and Internal Control System”, further optimise the framework and refine the schemes, and carry out this task as the routine work of the Group. The Group will pay attention to, keep track of and effectively resolve problems to lay a solid foundation for a healthy, rapid and sustainable development of the Group in the future.

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
1	Operation risk – bird strike risk	Birds may collide with aircrafts during flight or ground operation, which may result in damage to the aircraft’s structure, engine failure, flight control system failure, and even the occurrence of aviation accidents and threatening flight safety in serious case.	<p>(i) Personnel training</p> <p>Enhance the precision of the relevant personnel in relation to bird identification and conduct emergency disposal exercises to train the relevant personnel’s emergency response capabilities.</p> <p>(ii) Bird-repelling equipment</p> <p>Use of bird-repelling equipment efficiently and rotate equipment and facilities, and delay birds’ adaptability to the equipment and facilities in the field.</p>	<p>(i) Personnel training</p> <p>To address the spring migratory bird season and enhance the ability to respond to bird strike incidents, Meilan Airport has refined its emergency response procedures for large birds and flocks of birds entering the airfield, established a long-term bird strike prevention and emergency response management mechanism, and conducted practical emergency drills and training for large birds and flocks of birds entering the airfield in March 2025, aiming to enhance personnel emergency response capabilities, information reporting, and the accuracy of bird identification.</p> <p>(ii) Bird-repelling equipment</p> <p>Increase investment in bird prevention equipment and facilities, including the introduction of 10 new bird-repelling mannequins, 15 omnidirectional ultrasonic bird repellers, and 1 intelligent bird repelling cannon. Meanwhile, two water-based bird repelling devices and 1 mounted shockwave cannon were tested in key areas to comprehensively strengthen the airfield’s “physical prevention” and “technical prevention”. Additionally, two batches of equipment have been rotated as planned to reduce the birds’ adaptation to various equipment and facilities within the airfield.</p>

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
			(iii) Master the bird conditions around the airport	(iii) Master the bird conditions around the airport
			Conduct research on the ecological environment of bird conditions in the airport area, monitor the ponding area and the surrounding forests of the area in a timely manner, conduct birds strike risk research.	To effectively identify bird strike hazards and manage associated risks, a survey of bird activity and ecological conditions was conducted during the bird migration period. This enabled timely monitoring of bird activity at the airport and its surrounding areas, assessment of the effectiveness of existing bird control measures, and the formulation of 14 control measures, laying the foundation for future bird control efforts.
				With the effective implementation of these measures, no bird strike incidents attributable to the airport occurred at Meilan Airport in the first half of 2025, with overall bird strike risks remaining stable and under control.

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
2	Operation risk – missing inspection risk	The relevant personnel do not conduct inspection on outbound passengers and baggage in accordance with the operational procedures, and there occurs verification missing inspection, personal missing inspection, startup missing inspection or package missing inspection, risky personnel or contraband entering the boarding area or boarding, which results in security loopholes and increasing flight risk.	<p>(i) Personnel training</p> <p>Conduct regular training and assessment on the personnel who are engaged in verification inspection, personal inspection, startup inspection, package inspection to ensure on-the-job staff are able to master and strictly enforce the standard operation process; collect various safety accident cases, caused by missed inspections and organize staff learning, analyze the causes and consequences of various safety incidents and enhance the employees' awareness and attach great importance to the risk of missing inspection.</p>	<p>(i) Personnel training</p> <p>First, implement the 2025 Operational Training Program for Safety Inspection Station (《安全檢查站2025年崗位操作培訓方案》), covering position-specific procedures, handling of special situations, and important precautions. This training is conducted monthly with quarterly assessments; second, establish an annual training plan for Safety Inspection Station, including the “Civil Aviation Security Education” program. This quarterly training focuses on domestic and international aviation safety incidents, including accidents triggered by failure to detect prohibited items.</p> <p>Through the above training, we can enhance employee safety awareness, implement various job operation standards, and strictly enforce air safety measures.</p>

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
			(ii) Technology and equipment	(ii) Technology and equipment
			Timely update and upgrade the security inspection equipment, improve testing precision and reliability of the equipment, reduce the cases of missing inspection due to equipment reasons; leveraging technology such as artificial intelligence and big data, to develop an intelligent security inspection auxiliary system which provides analysis and pre-warn for security data to facilitate the security personnel to better identify concerns and risks.	First, in terms of system upgrades, plans are in place to upgrade and renovate the security screening tiered management system. The upgraded tiered management system will be capable of accommodating dual-channel, dual-view X-ray machines, thereby enhancing the safety margin for checked baggage and improving operational efficiency; second, in terms of introducing new technologies and equipment, 12 checked-in CT scanners and 9 handheld CT scanners have been deployed in projects related to the independent customs operation of the Hainan Free Trade Port. These CT devices feature special functions such as laptop separation, 3D image analysis, and automatic identification of explosives, effectively enhancing the safety margin of security checks.

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
3.	Operation risk – construction management risk within the airfield	During the construction and maintenance work within the airport airfield, if the relevant personnel, vehicles and materials are not effectively managed, it may increase the risk of foreign object debris and airfield incursions.	<p>(i) Personnel management</p> <p>Strictly review the background and qualifications of construction and maintenance personnel to ensure skills and quality meet standards. Regularly conduct safety education and training to enhance personnel's safety awareness and familiarize them with airfield regulations and risk prevention. Equip personnel with identification badges and positioning devices for easy identification and tracking, preventing unauthorized personnel from entering.</p>	<p>(i) Personnel management</p> <p>All construction projects within the airfield have been approved by the Meilan Airport Management Authority, with a 100% verification rate for the background and qualifications of construction personnel. For construction projects conducted without flight suspension, strict safety education and training, as well as integrity discussions, are implemented prior to project commencement. To further enhance the precision of construction personnel supervision, Meilan Airport has integrated a personnel positioning management model into the construction of the wireless apron system, establishing electronic fences for real-time monitoring to ensure the effectiveness of runway intrusion prevention measures. Through these source control mechanisms, construction site safety management has been effectively safeguarded, and the standardisation of construction management has significantly improved.</p>

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
			(ii) Vehicle management	(ii) Vehicle management
			Regular inspections and maintenance of vehicles entering the airfield are conducted to prevent loosening or detachment of components. Plan vehicle routes, install monitoring equipment, conduct real-time monitoring, and promptly alert and correct vehicles deviating from the route. Specialized training for airfield vehicle drivers to familiarize them with road and safety regulations, ensuring compliance in driving.	All construction vehicles have been inspected by Meilan Airport and traffic police units. Before entering the airfield, they undergo checks on lighting, safety equipment, and foreign objects to ensure that they are in good performance before being allowed to enter the site. Construction vehicles operating within the airfield are guided at all times by personnel with valid driving qualifications of the Company. No unsafe incidents caused by construction vehicles occurred within the airfield during the first half of 2025.

No.	Names of risks	Description of the key risk	Counter measures taken in the first half of 2025	Effectiveness of risk-counter measures
			(iii) Materials management	(iii) Materials management
			<p>Establish dedicated storage areas, regulate the storing of materials, ensure stability and safety, and prevent wind dispersal and falling. In the storage area, clear signs and protective facilities such as warning signs and fences are set up to prevent accidental collisions by vehicles and aircraft. Regularly conduct inventory count of materials to ensure accurate quantities and promptly address any loss or omission.</p>	<p>Based on the actual conditions of the construction project, materials are managed centrally by setting up temporary storage facilities for construction materials in suitable areas or designating dedicated zones for storing materials outside the construction area. Loose materials are covered, tools and equipment are stored in locked areas, and flammable and explosive materials are kept separately in cool, well-ventilated locations. Currently, all construction projects conducted without flight suspension maintain an inventory of equipment and tools, which is checked daily. No incidents of foreign objects caused by the loss or scattering of construction materials have occurred during this period.</p> <p>The Company, in collaboration with the project construction unit and contractors, has established a multi-tiered supervision mechanism focusing on construction materials, foreign objects, and construction area management. Based on the construction organization and management plan, this mechanism oversees construction projects to ensure strict adherence to the established plan. A comprehensive construction management system has been established. Through the effective implementation of various measures, construction risks in the airfield of Meilan Airport were under control during the first half of 2025.</p>

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the first half of 2025, the domestic macroeconomic policies were taking effect. The national economy withstood pressure and rose to the challenge. The economy continued to show steady and positive development, demonstrating strong resilience and vitality, with stable growth in production and demand, a generally stable employment situation, continued increases in residents' income, the strengthening of new growth drivers, new progress in high-quality development, and overall social stability. In the second half of the year, despite ongoing external uncertainties and insufficient domestic effective demand, China will continue to adhere to the overall policy of seeking progress while maintaining stability, fully and accurately implementing the new development philosophy in a comprehensive manner, accelerating the construction of a new development pattern, coordinating domestic economic work with international trade struggles, further strengthening the domestic economic cycle, and using the certainty of high-quality development to address external uncertainties, thereby promoting the sustained, stable, and healthy development of the economy.

In the first half of 2025, against the backdrop of steady economic growth and sustained prosperity in the tourism market, China's civil aviation industry as a whole maintained a steady development trajectory. Transportation volumes reached new historical highs, with the international aviation market showing particularly significant recovery, effectively withstanding the impacts from external environment. In the second half of the year, China's civil aviation industry will continue to strengthen forward-looking research, prepare comprehensive contingency plans, and address the uncertainties of the external environment with the certainty of high-quality development.

Hainan Free Trade Port's independent customs policy has achieved a higher level of openness and regulatory balance through institutional innovation, injecting sustained momentum into the development of the tourism industry. In the second half of 2025, Hainan Province will continue to implement a series of measures to vigorously promote the high-quality development of the tourism industry, helping to comprehensively build a strong tourism province and an international tourism and consumption centre, and creating a world-class tourist destination. Hainan Province will continue to optimise the supply of tourism products, develop new consumption segments such as performing arts tourism and sports tourism, plan high-quality tourism projects, actively collaborate with well-known international cultural and tourism IPs, and create a "large-scale projects driving large-scale consumption" clustering effect, while also promoting the optimisation of the offshore duty-free policies.

In the second half of 2025, the Group will seize the opportunities presented by the independent customs operation of the Hainan Free Trade Port and make every effort to build a regional aviation gateway hub facing “Two Oceans”. Focusing on core businesses, we will optimise our flight route network layout, expand aviation passenger and cargo markets, cultivate new profit growth points, and advance safety ecosystem construction; simultaneously, we will lay a solid foundation and build momentum, closely monitor the progress of key projects, enhance international transit support capabilities, optimise strategic planning, and strengthen external cooperation; In terms of operational services, we will strive to improve service quality and operational efficiency while enhancing employee care; in terms of management, we will reduce burden and efficiency improvements, strengthen talent reserves and digitalisation initiatives, and implement a series of measures to drive high-quality development, thereby providing support for the construction of the Hainan Free Trade Port.

The Meilan Airport Cargo Apron Expansion Project, a pilot project of Phase III of Meilan Airport, is scheduled to commence construction in the second half of 2025 and is expected to be completed by March 2027. The project is funded and constructed by the Parent Company, with a total investment of approximately RMB225 million. It involves the construction of eight E-class aircraft parking bays, supporting vehicle lanes, fire fighting system and navigation lighting systems. Upon completion of the project, it will not only enhance the freighter support capabilities of Meilan Airport, expand its domestic and international cargo market, and meet the growing demand for air cargo transportation in the Hainan Free Trade Port, but also improve the aviation logistics industry chain, strengthen the role of Meilan Airport as a gateway hub facing the "Two Oceans", and drive the development of cross-border e-commerce, cold chain logistics, and other industries.

INTERIM DIVIDENDS

The Board expected that, in the second half of 2025, the Company will continue to have a larger capital demand, mainly due to the fact that after the Phase II Expansion Project has been officially put into operation, the overall production and operations of Meilan Airport remain in an upward phase, and the out-of-pocket costs would be significant; and the Phase II Expansion Project delayed construction are still underway, and further capital investments will be required to ensure timely payment of construction costs. In view of the actual needs of capital for the Company’s future development, the Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

MATERIAL LITIGATION OR ARBITRATION

The Group had no material litigation or arbitration for the six months ended 30 June 2025.

OTHER INFORMATION

Changes in Information of Directors, Supervisors and Chief Executives

Ms. Liu Hongbin was appointed as a member of the Audit Committee with effect from 17 January 2025.

On 17 July 2025, Mr. Zheng Yabo has tendered his resignation as an employee representative supervisor of the Company due to work relocation. Given that the resignation of Mr. Zheng Yabo will result in the number of members of the Supervisory Committee falling below the requirement stipulated under the Company Law of the People's Republic of China (the “**Company Law**”) and the articles of association of the Company (the “**Articles of Association**”), in accordance with the requirements of the Company Law and the Articles of Association, Mr. Zheng Yabo will continue to perform the relevant duties as the supervisor until the employee representative supervisor elected by the Company in a by-election assumes the office. Mr. Zheng Yabo currently serves as the chairman of Hainan Haikong Digital Intelligence Technology Co., Ltd. (海南海控數智科技有限公司).

Save as disclosed above, during the six months ended 30 June 2025 and as at the date of this announcement, there were no other changes in the Directors, supervisors and chief executives of the Company, and the Company is also not aware of any other change in information relating to the Directors and chief executives of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Remuneration of Directors and Supervisors

The Company held the 2012 annual general meeting on 27 May 2013, where the “Resolution in Relation to the Remuneration Packages for the Directors and Supervisors of the Company in 2013” was considered and approved. It provided that the Directors and supervisors nominated by connected party shareholders would not enjoy allowance for their positions from the year of 2013, but may receive appropriate wages depending on their specific duties in the Company. Other Directors and supervisors will receive their remuneration according to the remuneration packages approved by the general meeting.

Remuneration of Joint Company Secretary

Mr. Xing Zhoujin and Mr. Chen Yingjie, being the joint company secretaries of the Company nominated by the connected party shareholder, does not enjoy any allowance for their positions, but will receive appropriate wages depending on their specific duties in the Company.

SHARE CAPITAL STRUCTURE

As at 30 June 2025, the total number of issued share capital of the Company was 473,213,000, of which:

	Numbers of shares	Percentage of total issued shares
Domestic shares	246,300,000	52%
H shares	226,913,000	48%
Total	473,213,000	100%

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES

As at 30 June 2025, so far as is known to the Directors, supervisors and chief executive of the Company, the following persons (other than the Directors, supervisors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under section 336 of the Securities and Futures Ordinance (the “SFO”) (Chapter 571 of the Laws of Hong Kong).

Domestic Shares

Name of Shareholders	Capacity	Number of ordinary shares	Percentage of Domestic shares issued	Percentage of total issued share capital
Haikou Meilan International Airport Company Limited.* (Note 1)	Beneficial owner	237,500,000(L)	96.43%	50.19%
Hainan Airport Industrial Investment Co., Ltd.* (Note 1)	Interest of controlled corporations	237,500,000(L)	96.43%	50.19%
Hainan Airport Infrastructure Co., Ltd.* (Note 1)	Beneficial owner	237,500,000(L)	96.43%	50.19%
Hainan Development Holdings Co., Ltd.* (Note 1)	Interest of controlled corporations	237,500,000(L)	96.43%	50.19%

H Shares

Name of shareholders	Type of interest	Number of ordinary shares	Percentage of H shares issued	Percentage of total issued share capital
UBS Group AG (<i>Note 2</i>)	Interest of controlled corporations	13,545,518(L)	5.97%	2.86%
M&G Plc (<i>Note 3</i>)	Interest of controlled corporations	25,023,000 (L)	11.03%	5.29%
HSBC Holdings plc (<i>Note 4</i>)	Interest of controlled corporations	2,000 (L)	0.001%	0.0004%
	Custodian (other than an exempt custodian interest)	11,697,000 (L)	5.15%	2.47%

Notes:

- Haikou Meilan International Airport Company Limited* (海口美蘭國際機場有限責任公司) is established in the PRC and is the controlling shareholder of the Company. According to the disclosure of interests filed on the website of the Hong Kong Stock Exchange, Hainan Development Holdings Co., Ltd.* (海南省發展控股有限公司) held 100% interests in Hainan Airport Group Co., Ltd.* (海南機場集團有限公司), Hainan Airport Group Co., Ltd. held 56.00% interests in Hainan Airport Industrial Investment Co., Ltd.* (海南機場實業投資有限公司) and 24.87% interests in Hainan Airport Infrastructure Co., Ltd. (海南機場設施股份有限公司) (which was also controlled by Hainan Development Holdings Co., Ltd.), and Hainan Airport Industrial Investment Co., Ltd. held 46.71% interests in the Haikou Meilan International Airport Company Limited. In addition, on 30 April 2025, Hainan Airport Infrastructure Co., Ltd. entered into a share purchase agreement with Haikou Meilan International Airport Company Limited, pursuant to which, Hainan Airport Infrastructure Co., Ltd. has conditionally agreed to purchase, and Haikou Meilan International Airport Company Limited has conditionally agreed to sell, 237,500,000 domestic shares held by it in the Company. Therefore, Hainan Development Holdings Co., Ltd., Hainan Airport Industrial Investment Co., Ltd. and Hainan Airport Infrastructure Co., Ltd. were deemed to be interested in the 237,500,000 domestic shares in long position of the Company.
- According to the disclosure of interests filed on the website of the Hong Kong Stock Exchange, UBS Group AG held 100% interests in each of (i) UBS Asset Management (Hong Kong) Ltd.; (ii) UBS Asset Management (Singapore) Ltd.; (iii) UBS Fund Management (Switzerland) AG; (iv) UBS AG; (v) UBS Switzerland AG; (vi) UBS Asset Management (Europe) S.A; and (vii) UBS Asset Management (Americas) LLC. Therefore, UBS Group AG was deemed to be interested in 1,431,000, 171,300, 534,000, 2,431,119, 3,114,408, 4,029,691 and 1,834,000 H shares in long position held by the aforesaid companies, respectively.

3. According to the disclosure of interests filed on the website of the Hong Kong Stock Exchange, M&G Plc held 100% interests in M&G Group Regulated Entity Holding Company Limited, which held 100% interests in M&G Group Limited. M&G Plc also held 100% interests in The Prudential Assurance Company, which held 100% interests in M&G ACS. M&G Group Limited held 100% interests in M&G FA Limited, which held 100% interests in M&G Luxembourg S.A., M&G Investment Management Limited, M&G Securities Limited and M&G Investments (Singapore) Pte. Ltd. Therefore, M&G Plc was deemed to be interested in 2,773,000, 25,023,000, 22,250,000 and 25,023,000 H shares in long position held by M&G Luxembourg S.A., M&G Investment Management Limited, M&G Securities Limited and M&G Investments (Singapore) Pte. Ltd., respectively.
4. According to the disclosure of interests filed on the website of the Hong Kong Stock Exchange, HSBC Holdings plc held 100% interests in HSBC Asia Holdings Limited and HSBC Bank plc, and HSBC Asia Holdings Limited held 100% interests in The Hongkong and Shanghai Banking Corporation Limited. Therefore, HSBC Holdings plc was deemed to be interested in 11,697,000 and 2,000 H shares of the Company in long position held by HSBC Bank plc and The Hongkong and Shanghai Banking Corporation Limited, respectively.
5. (L) represents long position.

Save as disclosed above, as at 30 June 2025, so far as known to the Directors, supervisors and chief executive of the Company, there was no other person (other than the Directors, supervisors or chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES

As at 30 June 2025, no Directors, supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register required to be kept by the Company under section 352 of the SFO, or required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

THE RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had entered into any arrangement to enable the Directors or supervisors to acquire any benefit by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or supervisors or their respective spouses or children under the age of 18 has been granted any rights to subscribe for shares in, or debentures of, the Company or any other body corporate or have exercised any of such rights.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sale or transfer of treasury shares, if any).

AUDIT COMMITTEE

The Audit Committee has, together with the management of the Company, reviewed the interim results and the unaudited condensed consolidated interim financial information (including the accounting standards and practices adopted by the Group) of the Group for the six months ended 30 June 2025.

DETAILS OF COMPLIANCE WITH RULE 3.10(1), RULE 3.10(2) AND RULE 3.21 OF THE LISTING RULES

As at 30 June 2025, there were four independent non-executive Directors in the Board. As at 30 June 2025, the Audit Committee comprised three independent non-executive Directors, including one personnel with appropriate professional qualifications of accounting and the membership of the Hong Kong Institute of Certified Public Accountants.

DIRECTORS' AND SUPERVISORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' and supervisors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry to all Directors and supervisors, the Company confirmed that, all Directors and supervisors have complied with the Model Code and the code of conduct of the Company regarding Directors' and supervisors' securities transactions for the six months ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has been in compliance with all the rules prescribed by the China Securities Regulatory Commission and the Hong Kong Stock Exchange, as well as requirements of other regulatory bodies. The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules and established a series of corporate governance systems in accordance with relevant requirements to continuously improve the corporate governance structure.

In accordance with code provision C.2.1 of Part 2 of the CG Code, the responsibilities of the chairman and chief executive officer of a listed issuer should be separate and should not be performed by the same individual. Mr. Wang Hong serving as both the chairman (the “**Chairman**”) of the Company and the president (the “**President**”) of the Company deviates from code provision C.2.1 of Part 2 of the CG Code.

Notwithstanding the deviation from code provision C.2.1 of Part 2 of the CG Code, given that the Company has clearly set out in writing the respective duties of the chairman and the president (i.e. the responsibilities of the general manager as stipulated in the Articles of Association) and that Mr. Wang Hong, as the president, is familiar with the business of the Company and has superior knowledge and experience of the business of the Company, the Board considers that Mr. Wang Hong serving as both chairman and president has the benefit of ensuring consistent leadership with the Company and allows for more efficient overall business development strategic planning for the Company. The Board believes that the balance of power and authority for the present arrangement will not be impaired and this structure enables the Company to make and implement decisions in a timely and effective manner. Notwithstanding this, the Board will review the structure from time to time and consider appropriate actions to be taken where appropriate.

Mr. George F Meng ceased to serve as an independent non-executive Director and a member of the Audit Committee since 27 December 2024. The number of members in the Audit Committee reduced to two, which was below the minimum number required by Rule 3.21 of the Listing Rules and the relevant terms of reference and procedure documents of the Company. Ms. Liu Hongbin was appointed as a member of the Audit Committee on 17 January 2025. Accordingly, the Company once again complied with the requirements of Rule 3.21 of the Listing Rules and the relevant terms of reference and procedure documents.

Save for the deviation disclosed above, for the six months ended 30 June 2025, the Company had complied with the other code provisions of the CG Code and met with all reasonable governance and disclosure requirements. The Company will continue to improve its corporate governance and enhance its transparency to the shareholders of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as well as the Company's website www.mlairport.com. The 2025 interim report of the Company containing all information required under the Listing Rules will be dispatched to the shareholders of the Company and will be made available on the websites of the Hong Kong Stock Exchange and the Company on or before 30 September 2025.

BOARD OF DIRECTORS

As at the date of this announcement, the members of the Board include:

Executive Directors

Wang Hong (*Chairman and President*)
Ren Kai
Xing Zhoujin

Independent Non-executive Directors

Fung Ching, Simon
Ye Zheng
Deng Tianlin
Liu Hongbin

Non-executive Directors

Wu Jian
Li Zhiguo
Wen Zhe

By order of the Board

Hainan Meilan International Airport Company Limited*

Wang Hong

Chairman and President

Haikou, the PRC
20 August 2025

* *For identification purposes only*