

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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)**

**FINAL RESULTS ANNOUNCEMENT AS OF 31 DECEMBER 2022**

**FINANCIAL HIGHLIGHTS**

- Total revenue was RMB1,141.46 million (2021: RMB1,605.71 million)
- Revenue from aeronautical business was RMB361.14 million (2021: RMB518.58 million)
- Revenue from non-aeronautical business was RMB780.32 million (2021: RMB1,087.13 million)
- Net loss attributable to shareholders of the Company was RMB155.30 million (2021: net profit attributable to shareholders of the Company was RMB765.13 million)
- Loss per share was RMB0.33 (2021: Earnings per share was RMB1.62)

**BUSINESS HIGHLIGHTS**

- The passenger throughput recorded 11.1622 million
- Aircraft takeoff and landing reached 105,675 times
- Cargo and mail throughput was 124,372.70 tons

\* For identification purpose 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 financial position and operating results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2022 (the “**Year**”), which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), together with the comparative figures for the corresponding period of 2021 as follows:

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

### CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	<b>2022</b> <b>RMB</b>	2021 <b>RMB</b>
<b>Revenue</b>	3	<b>1,141,461,624</b>	1,605,712,250
Less: Cost of sales		<b>(1,122,744,960)</b>	(871,442,217)
Taxes and surcharges		<b>(71,361,233)</b>	(28,764,966)
Selling and distribution expenses		<b>(2,446,760)</b>	(5,413,649)
General and administrative expenses		<b>(82,451,754)</b>	(114,462,862)
Finance expenses		<b>(88,154,187)</b>	(21,375,640)
Including: Interest expenses		<b>(88,901,726)</b>	(27,377,384)
Interest income		<b>1,495,501</b>	6,524,891
Add: Other income		<b>29,322,776</b>	11,786,485
Investment loss	4	<b>(12,343,546)</b>	(17,517,193)
Including: Investment loss on associates		<b>(35,653,821)</b>	(7,976)
Gains or losses on changes in fair value		<b>1,442,324</b>	(695,041)
(Provision)/Reversal for expected credit losses	5	<b>(12,073,086)</b>	160,172,771
Losses on disposals of assets		<b>(383,778)</b>	(712,875)
<b>Operating (loss)/profit</b>		<b>(219,732,580)</b>	717,287,063
Add: Non-operating income		<b>598,215</b>	607,039
Less: Non-operating expenses		<b>(17,362,578)</b>	(25,174)
<b>Total (loss)/profit</b>		<b>(236,496,943)</b>	717,868,928
Less: Income tax credit	6	<b>45,793,705</b>	37,682,419
<b>Net (loss)/profit</b>		<b>(190,703,238)</b>	755,551,347
Attributable to shareholders of the Company		<b>(155,298,891)</b>	765,131,573
Minority interests		<b>(35,404,347)</b>	(9,580,226)

	<i>Note</i>	<b>2022</b> <b>RMB</b>	2021 <b>RMB</b>
<b>Other comprehensive loss, net of tax</b>		<b>(14,074,429)</b>	–
Other comprehensive loss, net of tax attributable to shareholders of the Parent Company		<b>(14,074,429)</b>	–
Other comprehensive loss that will be subsequently reclassified to profit or loss		<b>(14,074,429)</b>	–
Other comprehensive loss that can be transferred to profit or loss under the equity method		<b>(14,074,429)</b>	–
<b>Total comprehensive (loss)/income</b>		<b><u>(204,777,667)</u></b>	<b><u>755,551,347</u></b>
Total comprehensive (loss)/income attributable to shareholders of the Company		<b>(169,373,320)</b>	765,131,573
Total comprehensive loss attributable to minority interests		<b>(35,404,347)</b>	(9,580,226)
<b>(Losses)/Earnings per share</b>			
– Basic and diluted (losses)/earnings per share	7	<b><u>(0.33)</u></b>	<b><u>1.62</u></b>

## CONSOLIDATED BALANCE SHEET

		<b>31 December</b>	31 December
		<b>2022</b>	2021
	<i>Note</i>	<b>RMB</b>	<b>RMB</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash at bank and on hand		<b>119,427,073</b>	212,123,485
Financial assets held for sale		<b>28,276,733</b>	26,834,409
Accounts receivable	9	<b>267,265,560</b>	309,474,896
Prepayments		<b>9,827,641</b>	10,080,773
Other receivables		<b>45,165,250</b>	54,925,229
Inventories		<b>785,451</b>	627,642
Other current assets		<b>9,257,877</b>	8,510,729
		<u><b>480,005,585</b></u>	<u>622,577,163</u>
<b>Total current assets</b>			
<b>Non-current assets</b>			
Long-term equity investments		<b>8,349,494</b>	12,848,969
Other non-current financial assets		<b>49,057,863</b>	–
Investment properties		<b>1,588,118,868</b>	1,639,860,833
Fixed assets		<b>7,287,915,800</b>	7,523,860,760
Right-of-use assets		<b>84,244,294</b>	136,102,636
Intangible assets		<b>1,050,102,401</b>	1,066,972,506
Long-term prepaid expenses		<b>3,338,293</b>	4,276,037
Deferred tax assets		<b>41,834,806</b>	82,246,998
Other non-current assets		<b>46,583,900</b>	46,601,425
		<u><b>10,159,545,719</b></u>	<u>10,512,770,164</u>
<b>Total non-current assets</b>			
		<u><b>10,639,551,304</b></u>	<u>11,135,347,327</u>
<b>Total assets</b>			

		31 December 2022 RMB	31 December 2021 RMB
	<i>Note</i>		
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings		100,000,000	–
Accounts payable	10	361,617,182	344,481,547
Advances from customers		29,159,367	24,514,155
Contract liabilities		12,433,168	26,429,947
Employee benefits payable		72,653,332	61,333,318
Taxes payable		242,555,786	408,684,554
Other payables		2,381,475,457	2,617,621,949
Other current liabilities		3,306,607	4,171,396
Non-current liabilities due within one year		<u>2,796,812,359</u>	<u>2,798,330,539</u>
<b>Total current liabilities</b>		<u>6,000,013,258</u>	<u>6,285,567,405</u>
<b>Non-current liabilities</b>			
Lease liabilities		–	65,266,267
Long-term payables		24,682,712	60,167,166
Deferred revenue		43,725,556	46,558,889
Long-term employee benefits payable		–	141,860
Deferred tax liabilities		84,598,932	989,853
Other non-current liabilities		<u>80,010,865</u>	<u>110,587,014</u>
<b>Total non-current liabilities</b>		<u>233,018,065</u>	<u>283,711,049</u>
<b>Total liabilities</b>		<u>6,233,031,323</u>	<u>6,569,278,454</u>
<b>Shareholders' equity</b>			
Share capital		473,213,000	473,213,000
Capital surplus		864,890,722	819,661,947
Surplus reserve		246,394,231	246,394,231
Other comprehensive income/(loss)		13,624,269	(19,524,487)
Retained earnings		<u>2,811,320,624</u>	<u>3,013,842,700</u>
<b>Total equity attributable to shareholders of the Company</b>		<u>4,409,442,846</u>	<u>4,533,587,391</u>
Minority interests		<u>(2,922,865)</u>	<u>32,481,482</u>
<b>Total equity</b>		<u>4,406,519,981</u>	<u>4,566,068,873</u>
<b>Total liabilities and equity</b>		<u>10,639,551,304</u>	<u>11,135,347,327</u>
<b>Net current liabilities</b>		<u>5,520,007,673</u>	<u>5,662,990,242</u>
<b>Total assets less current liabilities</b>		<u>4,639,538,046</u>	<u>4,849,779,922</u>

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 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 Group is mainly engaged in the operation of the Meilan Airport and certain ancillary commercial businesses in Haikou City, Hainan Province, the PRC. The parent company of the Company is Haikou Meilan International Airport Co., Ltd. ("**Haikou Meilan**" or "**Parent Company**"), an enterprise established in the PRC with limited liability.

These financial statements are authorized for issue by the Board on 28 March 2023.

## 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**"). These financial statements have been prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

The Group's net loss for the year ended 31 December 2022 amounted to approximately RMB190 million. As at 31 December 2022, the Group recorded current liabilities of approximately RMB6.00 billion, which exceeded its current assets by approximately RMB5.52 billion. The Group's current liabilities mainly comprised the syndicated loan of RMB1.94 billion, amounts due to related parties of RMB0.79 billion and construction fee payables of Meilan Airport Phase II Expansion Project (the "**Phase II Expansion Project**") of RMB1.33 billion.

The Company and Haikou Meilan jointly constructed the Phase II Expansion Project. Haikou Meilan as the borrower and the Company as the co-borrower have obtained a syndicated loan (the "**Syndicated Loan**") with a total facility of RMB7.8 billion and maturity of 20 years which is specifically for financing the construction of the Phase II Expansion Project. Haikou Meilan and the Company jointly undertake the repayment obligation for each loan drawn down under the Syndicated Loan Agreement and are jointly and severally liable for the repayment of the Loan (the "**Joint Repayment Commitment**"). As at 31 December 2022, the draw-down of the Syndicated Loan totaled RMB5.18 billion, with accumulative repayment of principal of RMB40 million, of which Haikou Meilan had outstanding principal of RMB3.20 billion and the Company had outstanding principal of RMB1.94 billion. In 2019, Haikou Meilan has triggered the event of default of the Syndicated Loan Agreement. Furthermore, as HNA Group Co., Ltd. ("**HNA Group**") and its certain related parties including the Haikou Meilan were not able to settle their debts in due course and were insolvent as a whole, Hainan High People's Court (the "**Hainan High Court**") ruled on the acceptance of the substantial consolidated restructuring of HNA Group and its related companies inclusive of the Haikou Meilan totaling 321 companies on 13 March 2021 (the "**HNA Group Substantial Consolidated Restructuring**") (the "**Haikou Meilan's Defaults**"). Haikou Meilan's Defaults resulted in the loan syndicate has the right to request, at any time, the Company as the co-borrower to undertake the Joint Repayment Commitment to repay the Syndicated Loan of Haikou Meilan amounting to RMB3.20 billion and the right to request the Company to early repay the Syndicated Loan of the Company amounting to RMB1.94 billion and suspend offering the remaining loan facility of RMB1.96 billion to the Company. On 24 April 2022, Hainan High People's Court ruled on the completion of the HNA Group Substantial Consolidated Restructuring and performance of the Syndicated Loan Agreement to be continued.

A short-term bank loan of the Company amounting to approximately RMB0.38 billion was overdue in November 2020 (the “**Overdue Debt**”), which constituted an event of default of the Syndicated Loan. As of January 2022, the Company has fully repaid this bank loan.

On 23 December 2020, the Company received arbitration application requiring the Company to pay a compensation for the damage in a maximum amount of HK\$6.962 billion in respect of the H shares subscription agreement entered into in prior year (the “**Arbitration Case**”). As of 31 December 2022, the Arbitration Case is in arbitration process.

The aforementioned Arbitration Case, Haikou Meilan’s Defaults and Overdue Debt triggered events of default of the Syndicated Loan. As of the issuance date of these financial statements, the Company and Haikou Meilan have not obtained the written waiver from the loan syndicate, notwithstanding the Company and Haikou Meilan have not received notice from the loan syndicate requiring the Company to repay the Syndicated Loan or undertake the Joint Repayment Commitment.

During the year ended 31 December 2022, the domestic COVID-19 (the “**COVID-19**”) has occurred frequently, which adversely affected passenger travel and flight traffic and Meilan Airport experienced a significant decline in passenger throughput as compared to the corresponding period in 2021. As the Phase II Expansion Project has been put into operation in December 2021, the Group’s operating expenses increased significantly. As the result, the Group’s revenue and net operating cash inflow significantly decreased as compared with the year in 2021 and showed an operating loss. In addition, on 4 January 2023, the Company was approved to enter into the Lease Agreement with the Parent Company in respect of the leasing of the airport runways and other related assets of Meilan Airport Phase I and Phase II (the “**Leased Assets**”) held by the Parent Company for a term of three years commencing from 1 January 2023. The aggregate annual rental fee payable by the Company to the Parent Company under the Lease Agreement is approximately RMB557 million, to be paid on monthly basis. Accordingly, the income related to the Leased Assets will be attributed to the Company, and the related operating costs will also be borne by the Company. If the future passenger travel volume fails to recover significantly and remain steady, it will increase the pressure on the Group’s future working capital.

The above events or circumstances indicate the existence of a material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern.

In view of the above, the directors of the Company have carefully considered the Group's future working capital, operation forecast and available sources of financing so as to assess whether the Group has sufficient working capital and sources of financing to ensure that it can settle its debts when they fall due in 12 months from 31 December 2022. The Group is trying to take certain measures to reduce the uncertainty on the future working capital, including but not limited to:

- 1) In respect of the Arbitration Case, the hearing of the arbitration tribunal was held during the period from late October to early November 2022. As of the issuance date of these financial statements, the Arbitration is still in progress, the Company will continue to prepare submissions as required by the arbitration tribunal and will actively defend through arbitration lawyer. According to the hearing of the arbitration tribunal and the opinion of the arbitration lawyer appointed by the Company, management is of the view that the Company has no breach of the contract as claimed by the applicant and it is less likely that the damage claimed by the applicant will be supported by the arbitration tribunal and the Company will not be required to pay a compensation for the damage;
- 2) The Company, together with the Haikou Meilan, has obtained the agreement of the loan syndicate to continue to perform the Syndicated Loan Agreement. The Company and Haikou Meilan are negotiating with the loan syndicate about the waiver in respect of aforementioned events of default. Management believes that the loan syndicate will agree to waive the above defaults and will not require the Company to early repay the principal and interest of the Syndicate Loan of the Company of RMB1.94 billion or settle the principal and interest of the Syndicate Loan of Haikou Meilan of RMB3.20 billion;
- 3) In December 2022, Hainan Provincial Development and Reform Commission has approved a facility of RMB0.7 billion sourced from the 2023 local government specific bond for the Phase II Expansion Project. Haikou Meilan and the Company will follow up with the People's Government of Hainan Province to draw down the facility to settle the construction fees of the Phase II Expansion Project. Management is of the view that the Company can continue to obtain facilities from local government to finance the construction of the Phase II Expansion Project;
- 4) The Company has negotiated with Haikou Meilan and obtained its consent that the Company can repay the amounts payable to Haikou Meilan when the Company has sufficient working capital. As of 31 December 2022, the Company's amounts payable to Haikou Meilan was approximately RMB1.35 billion;
- 5) The domestic economic environment policy was adjusted since December 2022, which resulted that the passenger throughput of Meilan Airport during the two months ended 28 February 2023 increased significantly compared with the same period in 2022, and gradually recovered to the level of the same period in 2019. The Group continued to timely take a number of measures to match transportation capacity with market demand, including but not limited to integrate the allocation of the transport capacity of Meilan Airport Phase I and Phase II to improve the overall operation efficiency of Meilan Airport, reasonably control the airport operation cost, cooperate with airlines to develop the national and international air transportation market and increase the leasing rate of duty-free shops in Terminal 2. Additionally, according to the provisions of the Lease Agreement, if the passenger throughput of Meilan Airport decreases due to force majeure factors such as COVID-19 during the lease term, the Company could negotiate with the Parent Company to reduce or exempt the rental fees; and
- 6) The Company continued to communicate with major banks and financial institutions to actively obtain new bank facilities. In November 2022, the Company has obtained an intentional financing facility of RMB200 million from a domestic commercial bank to supplement the Company's working capital.

The Board has reviewed the Group's cash flow forecast for the 12 months from the date of these financial statements prepared by the management of the Company. The Board is of the view that 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 31 December 2022. Accordingly, the Board is of view that it is appropriate to prepare these financial statements on a going concern basis.

Notwithstanding, significant uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

- 1) Whether the Company will not be required to pay the damage as claimed by the applicant of the Arbitration Case;
- 2) Whether the Company can obtain the lending syndicate's waiver in respect of the aforementioned events of default and then the Company is not required to early repay the principal and interest of the Syndicate Loan of the Company of RMB1.94 billion or settle the principal and interest of the Syndicate Loan of Haikou Meilan of RMB3.20 billion;
- 3) The Company can continue to obtain and utilise the undrawn facility of local government specific bonds to settle the construction payment about Phase II Expansion Project;
- 4) Whether the Group's airport operation businesses will achieve the expected stable net operating cash inflow and whether the Company can obtain the Parent Company's agreement to reduce or exempt the rental fee when Meilan Airport's passenger throughput is seriously affected by the COVID-19; and
- 5) Whether the Group can sign the loan agreements with the bank offering the intentional financing facility and draw down the loan when necessary.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not yet been reflected in these financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker of the Group has been identified as the Executive Directors and senior management led by the chairman of the Company. The management reviews the Group's internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on these reports. The management considers the Group conducts business within one business segment operations of the Meilan Airport and provision of services in connection with the airport operations and the Group also operates within one geographical segment because its revenues are primarily generated from and its assets are located in the PRC.

	<b>2022</b>	2021
	<b>RMB</b>	<b>RMB</b>
<b>Analysis of revenue (by nature)</b>		
Aeronautical:		
Passenger service income	<b>158,814,739</b>	252,465,010
Ground handling service income	<b>122,099,994</b>	164,501,372
Fees and related charges on aircraft takeoff and landing	<b>80,222,211</b>	101,613,008
	<b>361,136,944</b>	518,579,390
Non-aeronautical:		
Franchise income	<b>453,939,102</b>	667,975,213
Hotel income	<b>71,931,611</b>	91,137,084
Rental income	<b>70,150,817</b>	64,629,776
Freight and packaging income	<b>65,325,788</b>	87,672,452
VIP room income	<b>32,400,608</b>	78,078,153
Other income	<b>86,576,754</b>	97,640,182
	<b>780,324,680</b>	1,087,132,860
	<b>1,141,461,624</b>	1,605,712,250

#### 4. INVESTMENT LOSS

	2022 <i>RMB</i>	2021 <i>RMB</i>
Gains/(Losses) on debt restructuring	22,471,954	(17,509,217)
Investment loss from long-term equity investment in unlisted companies using equity method	(35,653,821)	(7,976)
Others	<u>838,321</u>	<u>–</u>
	<u><b>(12,343,546)</b></u>	<u><b>(17,517,193)</b></u>

There is no significant restrictions on the repatriation of investment income.

#### 5. PROVISION/(REVERSAL) FOR EXPECTED CREDIT LOSSES

	2022 <i>RMB</i>	2021 <i>RMB</i>
Bad debt provision for accounts receivable	11,116,269	28,874,688
Provision/(Reversal) for bad debt of other receivables	917,468	(3,194,014)
Provision/(Reversal) for expected credit losses of Joint Repayment Commitment	39,349	(186,501,400)
Bad debt provision for cash and cash equivalents	<u>–</u>	<u>647,955</u>
	<u><b>12,073,086</b></u>	<u><b>(160,172,771)</b></u>

#### 6. INCOME TAX CREDIT

Hong Kong profits tax has not been provided for as the Group had no assessable profits arising from Hong Kong during the year ended 31 December 2022 (2021: nil). Income tax expenses in the consolidated income statement represent provision for the PRC corporate income tax (“CIT”).

	2022 <i>RMB</i>	2021 <i>RMB</i>
Current income tax calculated based on tax law and related regulations	–	–
Deferred income tax	<u>(45,793,705)</u>	<u>(37,682,419)</u>
	<u><b>(45,793,705)</b></u>	<u><b>(37,682,419)</b></u>

According to the Notice of Preferential Policies for Enterprise Income Tax Hainan Free Trade Port (CS [2020] No.31) and relevant regulations issued by Hainan Provincial Finance Department and Hainan Taxation Bureau of State Administration of Taxation, the Group is subject to corporate income tax at a reduced rate of 15% during the period from 1 January 2020 to 31 December 2024. The applicable CIT rate of the Group for the year ended 31 December 2022 is 15% (year ended 31 December 2021: 15%).

## 7. (LOSSES)/EARNINGS PER SHARE

Basic (losses)/earnings per share are calculated by dividing the consolidated net (loss)/profit attributable to ordinary shareholders of the Company by weighted average number of outstanding ordinary shares of the Company:

	2022	2021
Consolidated net (loss)/profit attributable to ordinary shareholders of the Company ( <i>RMB</i> )	(155,298,891)	765,131,573
Weighted average number of outstanding ordinary shares of the Company ( <i>share</i> )	473,213,000	473,213,000
Basic (losses)/earnings per share ( <i>RMB</i> )	<u>(0.33)</u>	<u>1.62</u>

Diluted (losses)/earnings per share is calculated by dividing the consolidated net (loss)/profit 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 in this year (2021: nil), diluted (losses)/earnings per share equal to basic (losses)/earnings per share.

## 8. DIVIDENDS

On 26 August 2022, the Board proposed not to distribute 2022 interim cash dividend (2021 interim cash dividend: nil).

On 28 March 2023, the Board proposed not to distribute 2022 final cash dividend (2021 final cash dividend: nil).

## 9. ACCOUNTS RECEIVABLE

	31 December 2022 <i>RMB</i>	31 December 2021 <i>RMB</i>
Accounts receivable	379,760,127	453,400,873
Less: Provision for bad debts	<u>(112,494,567)</u>	<u>(143,925,977)</u>
	<u>267,265,560</u>	<u>309,474,896</u>

Credit terms granted to customers are generally ranged from 1 to 3 months. The ageing analysis of accounts receivable, based on the dates of recognition, is set out as follows:

	<b>31 December 2022 RMB</b>	31 December 2021 RMB
Within 90 days	<b>210,796,481</b>	275,961,954
91 to 180 days	<b>32,858,608</b>	19,932,981
181 to 365 days	<b>39,427,881</b>	31,261,918
Over 365 days	<b>96,677,157</b>	126,244,020
	<b><u>379,760,127</u></b>	<b><u>453,400,873</u></b>

#### 10. ACCOUNTS PAYABLE

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

	<b>31 December 2022 RMB</b>	31 December 2021 RMB
Within 90 days	<b>108,738,388</b>	124,905,871
91 to 180 days	<b>24,203,659</b>	11,039,865
181 to 365 days	<b>36,520,441</b>	57,372,286
Over 365 days	<b>192,154,694</b>	151,163,525
	<b><u>361,617,182</u></b>	<b><u>344,481,547</u></b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and Revenue Review

#### *Overview of Aviation Business*

In 2022, the COVID-19 epidemic (the “**Epidemic**”) continued to have a negative impact on the civil aviation industry in China. Under the circumstances of repeated multiple outbreaks of the Epidemic in China, Meilan Airport actively coordinated with airlines such as Hainan Airlines, Southern Airlines and Capital Airlines to operate wide-body passenger aircraft on popular routes and constantly increased airlines’ capacity in Haikou, in order to reduce the impact on production and operation.

In August 2022, Zhongzhou Airlines was awarded the Operation Certification of Public Air Carriers with Meilan Airport as the main operation base, and completed the overall relocation of its headquarters to settle in Hainan Free Trade Port (the “**Hainan Free Trade Port**”), becoming the first carrier with a full cargo main base in Hainan Province. In November 2022, Meilan Airport and Juneyao Airlines signed a strategic cooperation agreement in Shanghai; in December, Juneyao Airlines launched its first overnight flight at Meilan Airport, opening a new chapter of in-depth cooperation between both parties.

In 2022, when the international passenger transport market has not fully recovered, Meilan Airport took international freight as a breakthrough and operated 5 international freight routes, including the bi-directional flight routes between Haikou and Hahn, Haikou and Sydney, Haikou and Paris, Jakarta and Singapore and Haikou, Haikou and Moscow, network of which covered Germany, Indonesia, Australia and other countries and 6 overseas freight destinations, with 1 all-cargo route and 4 passenger-to-freighter conversion routes.

As of 31 December 2022, Meilan Airport operated a total of 227 originating routes, including 221 domestic routes, 1 regional route and 5 international freight routes; Meilan Airport extended its reach to 122 cities, including 115 domestic cities, 1 regional city and 6 international freight cities. As compared with 2021, 46 domestic routes, 1 regional route, 10 domestic destinations and 1 regional destination were newly opened. A total of 38 airlines operated at Meilan Airport, including 35 domestic passenger airlines, 3 international freight airlines and 2 regional passenger airlines.

Details of the aviation traffic throughput of Meilan Airport in 2022 and comparative figures of last year are set out below:

	<b>2022</b>	2021	Change
<b>Passenger throughput</b>			
<b>(headcount in ten thousand)</b>	<b>1,116.22</b>	1,751.97	-36.29%
in which: domestic	<b>1,116.00</b>	1,751.97	-36.30%
international and regional	<b>0.22</b>	0.00	N/A
<b>Aircraft takeoff and landing (times)</b>	<b>105,675</b>	138,930	-23.94%
in which: domestic	<b>105,181</b>	138,353	-23.98%
international and regional	<b>494</b>	577	-14.38%
<b>Cargo and mail throughput (tons)</b>	<b>124,372.70</b>	148,378.70	-16.18%
in which: domestic	<b>118,758.10</b>	141,041.00	-15.80%
international and regional	<b>5,614.60</b>	7,337.70	-23.48%

The Group's total revenue from aviation business in 2022 was RMB361,136,944, representing a decrease of 30.36% as compared with 2021. The decrease in revenue from aviation business was mainly due to the decline in flight take-offs and landings, passenger throughput as well as cargo and mail throughput due to the impact of the Epidemic for the Year. A breakdown of the Group's revenue from aviation business is as follows:

	<b>Amount in 2022 (RMB)</b>	<b>Changes over 2021</b>
Passenger service charges	158,814,739	-37.09%
Ground handling service income	122,099,994	-25.78%
Fees and related charges on aircraft take-offs and landing	<u>80,222,211</u>	<u>-21.05%</u>
<b>Total revenue from aviation business</b>	<b><u><u>361,136,944</u></u></b>	<b><u><u>-30.36%</u></u></b>

### ***Overview of Non-aviation Business***

In 2022, the non-aviation business of the Group experienced a declining momentum and attained revenue of RMB780,324,680, representing a year-on-year decrease of 28.22%. It accounted for 68.36% of the Group's total revenue.

In 2022, due to the impact of the Epidemic, the offline sales of the off-shore duty-free stores at Meilan Airport declined significantly, leading to a decrease in franchise income of the Group. Meanwhile, due to the impact of prevention and control of the Epidemic, the passenger throughput and the cargo and mail throughput decreased, resulting in a relatively significant decline in hotel income, VIP service income, and freight and packaging income. The year-on-year decline in revenue from non-aeronautical business was relatively large.

In 2022, the Group recorded franchise income of RMB453,939,102, representing a year-on-year decrease of 32.04%; the revenue from operating Hainan Meilan Airport Hotel Investment Co., Ltd. (“**Meilan Airport Hotel**”) amounted to RMB71,931,611, representing a year-on-year decrease of 21.07%; rental income reached RMB70,150,817, representing a year-on-year increase of 8.54%; freight and packaging income reached RMB65,325,788, representing a year-on-year decrease of 25.49%; VIP room income reached RMB32,400,608, representing a year-on-year decrease of 58.50%.

	<b>Amount in 2022 (RMB)</b>	<b>Changes over 2021</b>
Franchise income	453,939,102	-32.04%
Hotel income	71,931,611	-21.07%
Rental income	70,150,817	8.54%
Freight and packaging income	65,325,788	-25.49%
VIP room income	32,400,608	-58.50%
Other income	<u>86,576,754</u>	<u>-11.33%</u>
<b>Total revenue from non-aviation business</b>	<b><u>780,324,680</u></b>	<b><u>-28.22%</u></b>

#### *Franchise Income*

In 2022, the franchise income of the Group aggregated to RMB453,939,102, representing a year-on-year decrease of 32.04%, which was mainly attributable to the reduced passenger throughput due to the impact of the Epidemic that caused the significant decrease in the offline sales of the off-shore duty-free stores at Meilan Airport, resulting in a decrease in franchise income of the Company.

#### *Hotel Income*

In 2022, the hotel income of the Group amounted to RMB71,931,611, representing a year-on-year decrease of 21.07%, which was mainly due to the decrease in the occupancy rate of Meilan Airport Hotel as a result of the decrease in the passenger throughput of Meilan Airport impacted by the Epidemic.

### *Rental Income*

In 2022, the rental income of the Group amounted to RMB70,150,817, representing a year-on-year increase of 8.54%, which was mainly attributable to the Phase II Expansion Project (the “**Phase II Expansion Project**”) of Meilan Airport being put into operation, and the slight increase in rental income due to some new lease contracts.

### *Freight and Packaging Income*

In 2022, the freight and packaging income of the Group amounted to RMB65,325,788, representing a year-on-year decrease of 25.49%, which was mainly attributable to the decrease in the cargo and mail throughput at Meilan Airport and the reduction in charge rate of Meilan Airport due to the impact of the Epidemic, resulting in the decrease in freight and packaging income.

### *VIP Room Income*

In 2022, the VIP room income of the Group amounted to RMB32,400,608, representing a year-on-year decrease of 58.50%, which was mainly attributable to the decline in passenger throughput at Meilan Airport and the decrease in business volume of the VIP room due to the impact of the Epidemic.

## **Financial Review**

### *Asset Analysis*

As at 31 December 2022, the total assets of the Group amounted to RMB10,639,551,304, representing a year-on-year decrease of 4.45%, among which, current assets amounted to RMB480,005,585, representing approximately 4.51% of the total assets; and non-current assets amounted to RMB10,159,545,719, representing approximately 95.49% of the total assets.

### *Costs Analysis*

The cost of sales, selling and distribution expenses and general and administrative expenses of the Group aggregated to RMB1,207,643,474 in 2022, representing an increase of RMB216,324,746 or 21.82% as compared to that of 2021. Information on items with large changes in cost and expense for the Year is as follows:

- (1) the employee salary, and labour outsourcing and labour dispatch cost of the Group for the Year increased by RMB45,097,210 as compared with that of the corresponding period of 2021, mainly due to the increase in labor costs as a result of the increase in the number of employees since the commencement of operation of the Phase II Expansion Project;

- (2) the Group's depreciation of fixed assets and investment properties and amortization of intangible assets for the Year increased by RMB176,267,172 as compared with the corresponding period in 2021, mainly due to the increase in depreciation and amortization of the relevant assets as the Phase II Expansion Project has been put into operation;
- (3) the airport and field comprehensive services fee of the Group for the Year increased by RMB38,101,384 as compared with that of the corresponding period of 2021, mainly due to the fact that the Phase II Expansion Project has been put into operation; and
- (4) the maintenance costs of the Group for the Year decreased by RMB28,710,856 as compared with that of the corresponding period of 2021, mainly due to the increase in maintenance and renovation expenses in 2021 as a result of the aging of facilities and equipment in Terminal 1 of Meilan Airport, and the reduction in such part of expenses for the Year.

In 2022, the financial expenses of the Group amounted to RMB88,154,187, representing a year-on-year increase of RMB66,778,547, which is mainly attributable to the cessation of interest capitalization of relevant borrowings and the addition of borrowings of the Group due to the fact that the Group's Phase II Expansion Project has been put into operation during the Year.

### ***Expected Credit Losses***

The Group recorded expected credit losses of RMB12,073,086 in 2022, which is mainly attributable to provision for the accounts receivable according to the expected credit loss rate.

### ***Investment Loss***

The Group recognised an investment loss of RMB12,343,546 for the year ended 31 December 2022, which mainly represents the net impact of: 1) HNA Group Co., Ltd. (“**HNA Group**”) Substantial Consolidated Restructuring has been completed in April 2022, the Group recognised a gain from receipt of cash and trust unit as settlement of receivables/payables with the companies in the HNA Group Substantial Consolidated Restructuring; 2) HNA Airport Holding (Group) Co., Ltd (“**HNA Airport Holdings**”, the Group's associate) disposed of its associate, Hainan Island Airport Development and Construction Co. Ltd.\* (海南海島臨空開發建設有限公司) (“**Island Airport**”), the related accumulated other comprehensive income and capital surplus, in different nature, were transferred out to retained earning and profit or loss accounts respectively.

### ***Cash Flow***

In 2022, the Group's net cash inflow from operating activities was RMB174,041,584, representing a year-on-year decrease of 78.99%, which was mainly attributable to the decrease in Meilan Airport's aviation business volume due to the impact of the Epidemic, leading to the significant decrease in income and the decrease in cash inflow. Meanwhile, the Phase II Expansion Project has been put into operation, and the out-of-pocket costs have increased accordingly.

In 2022, the Group's net cash outflow for investing activities was RMB106,215,926, which was mainly for the payment of construction costs for the Phase II Expansion Project.

In 2022, the Group's net cash outflow for financing activities was RMB125,860,945, which was mainly attributable to the repayment of loan interest in the Year.

### ***Pledge of Assets***

As mentioned in the Company's announcement dated 1 February 2018, the Company and the Haikou Meilan International Airport Company Limited\* (海口美蘭國際機場有限責任公司) (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 "**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 of the Phase II Expansion Project.

### ***Gearing Ratio***

As at 31 December 2022, the current assets of the Group were RMB480,005,585, total assets were RMB10,639,551,304, current liabilities were RMB6,000,013,258, and total liabilities were RMB6,233,031,323.

As at 31 December 2022, the gearing ratio (total liabilities/total assets) of the Group was 58.58%, representing a decrease of 0.41% as compared with that as at 31 December 2021.

### ***Foreign Exchange Risks***

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

## ***Financial Instruments***

As at 31 December 2022, the financial instruments of the Group mainly comprised cash at bank and on hand, stock and trusts, Syndicated Loan and short-term borrowings. The major sources of these financial instruments are the fund-raising for operation of the Group and the repayment of liabilities. Besides, the Group had other financial instruments in relation to daily operations, such as receivables (excluding prepayments) and payables (excluding statutory liabilities).

## ***Contingent Liability***

Save for the arrangement of the Syndicated Loan and the arbitration mentioned in the section headed “Material Litigation or Arbitration” in this announcement, as at 31 December 2022, the Group had no other significant contingent liability.

## **Significant Investments Held and Their Performances**

HNA Airport Holdings and its subsidiaries (“**HNA Airport Holdings Group**”) are principally engaged in the operation and management of Sanya Phoenix International Airport, and through the associates engaged in real estate development business and other investment activities.

HNA Airport Holdings Group is a subsidiary of Hainan Airport Infrastructure Co., Ltd.\* (海南機場設施股份有限公司) (“**Hainan Airport**”, formerly known as “**HNA Infrastructure Investment Group Company Limited**\* (海航基礎設施投資集團股份有限公司)”). HNA Airport Holdings has been included in the Hainan Airport restructuring in February 2021 and recorded a deficit in equity attributable to shareholders of approximately RMB2.20 billion as at 31 December 2021.

During the year ended 31 December 2022, HNA Airport Holdings Group recorded a net profit attributable to shareholders of approximately RMB260 million which is the combined impact of the loss from main operation due to the adverse impact of the Epidemic and offset by the gain from disposal of its associate, Island Airport. As of 31 December 2022, HNA Airport Holdings Group still recorded a deficit in equity attributable to shareholders of approximately RMB1.86 billion. Accordingly, the Group’s long-term equity investment in HNA Airport Holdings Group remained nil.

## **Intelligent Airport Construction**

In 2022, Meilan Airport, faced with an extremely complex epidemic situation, improved the construction of an intelligent epidemic prevention platform through “big data + artificial intelligence” empowerment, and realized refined management of epidemic prevention and control. In May 2022, the smart epidemic prevention gates were officially implemented for testing. Through the gates, passengers can verify certain epidemic prevention data such as comparing their faces against their ID cards, taking temperature tests and checking their health codes. Since June 2022, passengers departing from Meilan Airport have been able to complete a series of quarantine checks at the entrance of the terminals with their ID cards to improve the efficiency of passenger exit checks.

After the Phase II Expansion Project has been put into use in December 2021, the configuration and operation mode of the north-south flight area of Meilan Airport gave rise to some hot spot areas (which refer to the area where aircraft taxiing speed is relatively fast and some of the corridors block the view of vehicles). In order to avoid the risk of conflict or collision between vehicles and aircraft in operation within the hot spots, after nine months of testing, the traffic light system in the hot spot areas of the apron of Meilan Airport passed the test and was put into operation in October 2022, which has achieved the goal of reducing the risk of operating in the hot spot areas of the apron.

The whole-process luggage tracking system of Meilan Airport was officially launched on 25 June 2022 for trial run, and achieved real-time return of luggage data to the Civil Aviation Administration of China (the “CAAC”). Up to now, the system equipment has run well, and the recognition rate of basic nodes has reached more than 99.4%, which meets the CAAC’s requirement of more than 90% recognition rate.

## **Terminal Complex Project**

Situated on the north side of Meilan Airport, the terminal complex project has a gross floor area of 315,300 sq.m. The project has comprehensive business patterns and functions and encompasses the commercial building, the hotel building, GTC (Ground Traffic Center, a traffic hub) and the parking building. The commercial building brings together various business patterns, including off-shore duty-free shopping, Hainan featured products shopping, OUTLETS and food court.

GTC on the ground floor of the terminal complex project integrates inter-city express, bus, high-speed railway, car-hailing, taxi, and other transportation tools. Roundabout high-speed railway and suburban trains of Hainan pass directly to GTC, which forms a preliminary land-based three-dimensional transportation service system for Meilan Airport and provides diverse and convenient traffic services for travelers. In 2022, a total of 6 bus routes were in operation at GTC, with 74,071 departures which carried 514,574 passengers; a total of 6 intercity routes towards Danzhou and Wenchang and other cities were in operation, with 10,053 departures which carried 51,596 passengers; 333,441 taxis accessed the GTC and carried 567,712 passengers.

The room occupancy rate of Meilan Airport Hotel was 56.25% and about 296,000 guests were received for the Year, representing a decrease of 14.87% and 17.64%, respectively, as compared to the same period of the previous year. In 2022, due to the impact of the Epidemic, the passenger throughput of Meilan Airport decreased significantly, leading to a decline in the business volume of Meilan Airport Hotel. In this context, Meilan Airport Hotel focused on developing the market of long-stay epidemic prevention teams. Meanwhile, Meilan Airport constantly explored the market demand of the government, universities and commercial companies around the airport, and continued to maintain long-term cooperation with civil aviation units. With its high quality and good reputation, Meilan Airport Hotel was awarded the title of “Top 100 Hotels in China” by the Red Velvet High Star Hotel Guide\* (紅絲絨高星酒店指南), and received awards such as the “Best Airport Hotel in China” at the 17th International Hotel Platinum Award\* (中外酒店(十七屆)白金獎), “Top 100 Business Brands in Hainan Province” and “Most Promising Hotel of the Year” by ctrip.com in 2022.

Duty-paying commercial area of the terminal complex project is situated at the south side of the second to fifth floors of the aviation tourism city of the terminal complex, with a gross floor area of approximately 78,000 sq.m., of which approximately 12,859 sq.m. is retail business area and approximately 3,180 sq.m. is catering area. The outlet stores in the terminal complex project gather numerous well-known domestic and foreign brands.

In the future, the Company will timely re-conduct commercial planning for the terminal complex project, strengthen the differentiated operation mindset, identify its accurate position through business district benchmarking, and improve the shopping experience and commercial service quality, so as to meet the deep needs of consumers and continue to enhance commercial value.

### **The Progress of Proposed Issuance of New Domestic Shares and Proposed Issuance of 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 assets in relation to the Phase I runway 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 no more than 200,000,000 new H shares to qualified institutional, corporate and individual 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 no more than 140,741,000 new domestic shares as consideration for the transfer of the assets in relation to the Phase I runway by the Parent Company to the Company (the “**Parent Company Subscription**”). There were no other material changes on the terms of the 2020 Parent Company Domestic Shares Subscription Agreement as compared to those of the past Parent Company domestic shares subscription agreements, except for the adjustments on the subscription price, number and method of the subscription shares. Meanwhile, the Board proposed the new H shares issue (i.e. the issue of no more than 155,000,000 new H shares, the “**New H Shares Issue**”). The Company convened the extraordinary general meeting, H shareholders class meeting and domestic shareholders class meeting on 18 September 2020 to consider and approve relevant resolutions in relation to the Parent Company Subscription and the New H Shares Issue.

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 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 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.

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 and 30 September 2022. As of the date of this announcement, none of such conditions precedent were 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).

### **Employees, Remuneration Policy and Training**

As at 31 December 2022, the Group had a total of 1,296 employees, representing a year-on-year increase of 143 employees, which was mainly due to Phase II Expansion Project being put into use and Meilan Airport adjusting to the dual-terminal operation mode, resulting in the Group's increased labor demand. Employees are remunerated by the Group based on their performance, experience and prevailing industry practices. The Group will review the remuneration policy and related packages on a regular basis. Bonuses and commissions may be awarded to employees according to the assessment of their performance. The Group upgraded the talent of employees and provided adequate training based on the requirements of the positions of employees. A total of 172 courses were completed, and 9,354 staffs participated in such courses for the Year.

## **Retirement Pension**

The Company and its subsidiaries shall participate in the retirement scheme operated by the relevant local governmental institutions. The PRC government shall be responsible for the pension of the retired employees. The Group has to make contribution at a certain percentage of the employees' salary for those employees who hold permanent residency in the PRC (according to the retirement pension policies in Hainan Province, the Group's contribution ratio was 16% from January to December 2022). Once contributions are made by the Group to the retirement scheme, the relevant employer's contribution is fully owned by the employees. For the year ended 31 December 2022, the pension contribution of the Group was approximately RMB36,507,944 (2021: approximately RMB27,068,457). The pension contribution for the Year has increased significantly as compared with the previous year, mainly due to the increase in the number of employees in the Company as compared to the previous year.

## **EVENT AFTER THE REPORTING PERIOD**

References are made to the announcement of the Company dated 9 November 2022 and the circular dated 14 December 2022. In order to ensure the Company's daily operations and the integrity and completeness of the relevant assets required for the management of Meilan Airport, as well as to improve the overall operation efficiency and safety of Meilan Airport, on 9 November 2022, the Company (as lessee) and the Parent Company (as lessor) entered into the lease agreement in respect of the leasing of the Leased Assets (the "**Lease Agreement**") pursuant to which the Company leased from the Parent Company the relevant operation and supporting assets of Meilan Airport (including Meilan Airport Phase I and Meilan Airport Phase II) held by it for a term of three years commencing from 1 January 2023 (the "**Lease Commencement Date**") to 31 December 2025. These matters were approved by the extraordinary general meeting of the Company held on 4 January 2023.

References are made to the announcements of the Company dated 30 November 2020 and 11 March 2021 in relation to, among others, the agreement on the lease of the west boarding apron and bridge-mounted equipment of Meilan Airport (the "**Apron Lease Agreement**") entered into between the Company and the Parent Company and the new cargo terminal lease agreement (the "**New Cargo Terminal Lease Agreement**") entered into between Hainan Meilan International Airport Freight Co., Ltd., a non wholly-owned subsidiary of the Company, and the Parent Company. Pursuant to the Lease Agreement, the Company and the Parent Company agreed that the Apron Lease Agreement and the New Cargo Terminal Lease Agreement, among others, shall be terminated from the Lease Commencement Date.

## Outlook

According to China's strategic arrangement of building itself into a strong modern socialist country, by 2035, China will achieve high-level scientific and technological self-reliance and become a world-leading country in terms of innovation. The national governance system and capacity will be modernized. China will be a leader in education, technology, human resources, culture, sports, and health and China's cultural soft power will be significantly enhanced. Eco-friendly production and lifestyles will permeate all areas of society. Carbon emissions will steadily decline after reaching its peak, and there will be a fundamental improvement in the eco-environment after the goal of building a Beautiful China is met. The national security system and capacity will be comprehensively strengthened.

As a model of China's reform and opening-up in the new era, Hainan Province will firmly take up the mission of being at the forefront of the country in the process of Chinese modernization, adhere to the overall goal of accelerating the construction of a free trade port with Chinese characteristics with world influence, and give full play to the unique advantages of testing the highest level of open policy. We will strive to lead the way in promoting high-level institutional opening-up and building an important intersection of domestic and international dual circulation. The forthcoming five years, which span before and after the island-wide closure of customs, will be a critical period for the construction of Hainan Free Trade Port and a window period for high-quality development of Hainan Province.

On 8 January 2023, the Chinese government officially implemented the "Class B infectious disease under Category B" (the "**Class B infectious disease under Category B**") policy on COVID-19 Pandemic. After the policy was implemented, China's civil aviation market recovered rapidly during the Spring Festival peak season. The CAAC has cancelled the "Five-One (五個一)" (that is, the measures implemented by the CAAC since March 2020 for domestic and foreign airlines to operate international passenger flights on the basis of "one company, one country, one line, one flight per week (一司一國一線一週一班)") and "One Country, One Policy (一國一策)" control measures on international passenger flights, and returned to the implementation of management under the framework of bilateral air transport agreements. Since 8 January 2023, the CAAC has accepted applications from domestic and foreign airlines for resuming flights in this flight season and for increasing flights in the new flight season. This will bring clear benefits to the regional economy and global trade.

In accordance with the requirements of the “14th Five-Year” Plan for Integrated Transportation of Hainan Province (《海南省「十四五」綜合交通運輸規劃》) (the “**14th Five-Year’ Plan for Integrated Transportation**”), Meilan Airport, as the gateway hub of Hainan Province, will focus on its principal business, build its core competitiveness, and proactively promote the construction of “Four Types of Airport” (i.e. “Safe Airport”, “Green Airport”, “Smart Airport” and “Humanitarian Airport”) and the phase III expansion project of Meilan Airport (the “**Phase III Expansion Project**”). Meilan Airport will build a comprehensive transportation core hub in Hainan Province and take the air transportation industry as support to become a regional aviation hub facing the Pacific Ocean and the Indian Ocean (“**the Pacific Ocean and the Indian Ocean**”), so as to expand and strengthen the airport economy to facilitate the development of air passenger and freight at the airport, and drive Meilan Airport to become an important power source for the economic development of Hainan Province.

The Group will seize the development opportunities brought by the favourable policies implemented by the government, coordinate the recovery of transportation and production and improve the operational support capabilities. Holding on the bottom line of aviation safety, the Group will improve and optimize the various operation procedures and improve the professional quality of employees. In addition, the Group will continuously improve the safety service management level, tap the profit potential and make full use of the policy on the seventh freedom of the air to contribute to the construction of the Hainan Free Trade Port. It will also strengthen the construction of the workforce and increase investment in vocational education for employees. At the same time, the Group will further improve the dual-way interaction channels for internal and external information, establish a smooth communication channel with investors and win the trust and recognition of the market and investors; improve the development of the risk management system, internal control system and other management system, carry out standardized corporate governance, and solidly promote the modernization of corporate governance. The Group will also carry out capital operation projects in a timely manner to improve the quality of the Group’s assets, achieve further development and reward all shareholders with better performance.

***Promote Transformation and Upgrade, Strive for Win-Win in “Output Quantity” and “Operation Quality”***

The Phase II Expansion Project has been put into operation for one year. Since its operation, Meilan Airport has adjusted safeguard measures in a timely manner according to the model of “dual terminals, dual runways” to ensure the smooth operation of Meilan Airport. Due to the negative impact of the Epidemic on passenger and cargo and mail throughput, the operating potential of Meilan Airport’s “dual terminals, dual runways” has not been fully released.

Certain international and regional passenger routes have been gradually resumed at Meilan Airport from November 2022. In addition, at the beginning of 2023, the implementation of the “Class B infectious disease under Category B” policy and the CAAC’s adjustment to control measures targeted at international passenger flights have brought benefits to the civil aviation passenger market.

Looking forward to 2023, the Group will:

- accelerate the preparation and construction of the second-tier port of Meilan Airport, and strive to have the hardware for the closure of customs ready by the end of 2023, so as to accelerate the smooth implementation of policy on “the First-tier being Opened and the Second-tier being Controlled” of the Hainan Free Trade Port;
- continue to promote the resumption of international and regional passenger routes, seize market opportunities and actively communicate with airlines to promote the implementation of the policy on the seventh freedom of the air, so as to accelerate the construction process of Hainan Free Trade Port; and
- continue to facilitate the flight time expansion application and the preparatory work for Phase III Expansion Project, so as to further remove the bottleneck restriction of the development of Meilan Airport and open up the scope for future development.

***Stick to Core Capability Construction, Constantly Clutch Attention on Safety***

In 2023, the Group will establish a core risk management mechanism based on the core risk list, refine the performance indicator system with the aid of the civil aviation safety capability improvement project; continue to update and optimize the safety and security system, organize and conduct specific trainings on key rules and regulations, and strengthen employees’ awareness to comply with the rules and regulations, so as to ensure effective implementation of such rules and regulations; ensure the implementation of primary responsibility and continue to carry out investigation, especially to clarify the ambiguous delineation of authority, so as to further enable the system and operation to complement each other, and to achieve two-way flow and mutual promotion. The Group will comprehensively strengthen the identification and alignment of public safety and general safety standards of the nation and local governments and upper-level units, and continuously improve the long-term mechanism of public safety management at Meilan Airport, so as to maintain the public operation order of the airport and protect the safety of passengers and employees and the company’s property. The Group will focus on the lockdown operation of customs at the Hainan Free Trade Port and improve risk prediction and control abilities.

### ***Firmly Enhance Efficiency Promotion and Solidly Develop Brand Promotion***

In 2023, the Group will continue to explore and adjust the equipment guarantee model of “Dual-terminal Operation”, and improve the emergency support and linkage mechanism for important equipment and facilities such as power supply, water supply, environmental protection, baggage conveying system, corridor bridges, elevators and high-pole lights. Focusing on the coordination of security at the dual terminals, the Group will urge the outsourcing units to enhance their security performance capabilities, and steadily improve the security management level of the entire site area, which could ensure the smooth operation of the dual buildings and the dual terminals.

In addition, Meilan Airport will continue to improve the deepening development of AOCC (Airport Operations Control Centre), promote the 24-hour normal operation of operation coordination positions, establish operation manuals for operation coordination positions, and solidify and improve various operation mechanisms and procedures. Meilan Airport will promote the joint operation with aviation control, airlines and ground support units, and supervise the implementation of flight operation security standards. Based on the mechanism establishment and implementation result evaluation method of the Operation Coordination and Management Committee (the “**Operation Management Committee**”) of Meilan Airport, the internal and external performance management mechanism of the Operation Management Committee shall be established, which stimulates the motivation of all units through “positive incentive + reverse constraint” to strengthen their advantages and complement their weaknesses.

Following the stabilized operation of Phase II Expansion Project, Meilan Airport commenced the capacity assessment in July 2022 based on the actual situation of Meilan Airport in accordance with the requirements of the Notice on Further Strengthening Airport Capacity Management (Ju Fa Ming Dian [2016] No. 2657) (《關於進一步加強機場容量管理工作的通知》(局發明電[2016]2657號)) issued by the CAAC and will continue with this task in 2023, to support the construction of Hainan Free Trade Port through the expansion of flight schedule.

In 2023, the Group will continue to solidify the achievement of brand building, strengthen international cooperation, and take the idea of “providing genuine services and building a humanistic airport” and the elements of service quality management system as the guidance to carry out whole-process tracking and all-round supervision on the fulfillment of the “Ten Service Commitments (服務承諾十條)”. Firstly, the Group will further improve the planning of the top-level of service branding system and continue to promote the development and implementation of the service branding system. Secondly, the Group will benchmark advanced airports at home and abroad, fully learn from the industry-leading experience in refined service management, establishment of airport system and cross-over service brand building, and take into account the service culture concept of Meilan Airport to create a high-quality product of the service system. Through scientific organization and standardized management, it is expected that the commercial value of brand will be finally realized.

## ***Efforts to build an aviation regional gateway hub facing “the Pacific Ocean and the Indian Ocean”***

In 2023, the Group will continue to give full play to the advantages of off-shore duty-free shopping and southbound location, make full use of the policy on the seventh freedom of the air, reasonably arrange international air routes, and promote substantial progress in the construction of an aviation regional gateway hub facing “the Pacific Ocean and the Indian Ocean”. Anchored by this position, the Group will establish a special route to build an aviation hub facing “the Pacific Ocean and the Indian Ocean”, thoroughly study and formulate the overall implementation plan of “1+7+N”, actively contact relevant provincial and municipal units to put forward work suggestions, and at the same time, shift its strategic focus to the upstream and downstream of the industry, so as to improve its own economic benefits in the process of building an aviation regional gateway hub facing “the Pacific Ocean and the Indian Ocean”. Meanwhile, the Group will give full play to the fundamental, pioneering, strategic and service-oriented role of air transportation, improve the facilitation of passenger and cargo transit, open new, stable and encrypted international air routes, and build an extensive and accessible air transport network to enhance the appeal of off-shore duty-free shopping and tourism holidays.

## **AUDITOR’S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT**

The financial figures included in the Group’s consolidated income statement for the year ended 31 December 2022 and consolidated balance sheet as of 31 December 2022 and the related notes thereto as set out in this annual result announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers Zhong Tian LLP, to the Group’s audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers Zhong Tian LLP in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers Zhong Tian LLP on this results announcement.

## **FINAL DIVIDEND**

The Board expected that, in 2023, the Company will have a relatively large capital demand, mainly because the Phase II Expansion Project has been put into operation in December 2021, and the out-of-pocket costs have increased relatively significantly; and the Phase II Expansion Project has not yet been completed and settled, although it has been put into operation, and a large amount of capital will still be required in 2023 to ensure the payment of the project funds. In view of the actual needs of the Company’s future development capital, the Board recommended no payment of final dividend for the year ended 31 December 2022.

During the Year, there was no arrangement under which any shareholders of the Company has waived or agreed to waive any dividend.

## ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The Company will announce the date of the annual general meeting and the period of closure of register of members in due course.

## MATERIAL LITIGATION OR ARBITRATION

As disclosed in the announcement of the Company dated 5 January 2021, Aero Infrastructure Holding Company Limited and the Company entered into a subscription agreement in relation to the subscription of 200,000,000 New H Shares (the “**New H Shares Subscription Agreement**”) on 29 September 2019. Aero Infrastructure Holding Company Limited, as the claimant, filed an arbitration (the “**Arbitration**”) with the Hong Kong International Arbitration Centre against the Company asserting allegations in connection with the New H Shares Subscription Agreement.

As of the date of this announcement, the hearing of the case was held by the arbitration center and no ruling has been made. For details of the Arbitration, please refer to the announcement of the Company dated 5 January 2021.

Save as disclosed above, the Group had no other material litigation or arbitration for the year ended 31 December 2022.

## SHARE CAPITAL STRUCTURE

As at 31 December 2022, the total number of issued share capital of the Company was 473,213,000, of which:

	<b>Numbers of shares</b>	<b>Approximate percentage of total issued shares</b>
Domestic shares	246,300,000	52%
H shares	<u>226,913,000</u>	<u>48%</u>
<b>Total</b>	<b><u>473,213,000</u></b>	<b><u>100%</u></b>

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2022, so far as known to the Directors, supervisors and chief executive of the Company, the following persons (other than a Director, supervisor 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 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 <i>(Note 1)</i>	Beneficial owner	237,500,000(L)	96.43%	50.19%
Hainan Airport Industrial Investment Co., Ltd.* <i>(Note 1)</i>	Interest of controlled corporations	237,500,000(L)	96.43%	50.19%
Hainan Development Holdings Co., Ltd.* <i>(Note 1)</i>	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
ARC Capital Holdings Limited (Note 2)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
ARC Capital Partners Limited (Note 2)	Investment manager	32,788,500(L)	14.45%	6.93%
Pacific Alliance Asia Opportunity Fund L.P. (Note 2)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Equity Partners Limited (Note 2)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Group Asset Management Limited (Note 2)	Investment manager	32,788,500(L)	14.45%	6.93%
PAG Holdings Limited (Note 2)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Group Limited (Note 2)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Pacific Alliance Investment Management Limited (Note 2)	Interest of controlled corporations	32,788,500(L)	14.45%	6.93%
Walden Ventures Limited (Note 2)	Beneficial owner	32,788,500(L)	14.45%	6.93%
UBS Group AG (Note 3)	Interest of controlled corporations	25,016,517(L)	11.02%	5.29%

*Notes:*

1. Haikou Meilan International Airport Company Limited 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 Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), Hainan Development Holdings Co., Ltd.\* (海南省發展控股有限公司) holds 100% interests in Hainan Airport Group Co., Ltd.\* (海南機場集團有限公司), Hainan Airport Group Co., Ltd. holds 56.00% interests in Hainan Airport Industrial Investment Co., Ltd.\* (海南機場實業投資有限公司), and Hainan Airport Industrial Investment Co., Ltd. holds 46.81% interests in the Parent Company. Therefore, both Hainan Development Holdings Co., Ltd. and Hainan Airport Industrial Investment Co., Ltd. are deemed to be interested in the 237,500,000 domestic shares of the Company in long position held by the Parent Company.

2. According to the disclosure of interest filed on the website of the Hong Kong Stock Exchange, (i) PAG Holdings Limited held 99.17% interests in Pacific Alliance Group Limited; (ii) Pacific Alliance Group Limited held 90% interests in Pacific Alliance Investment Management Limited; (iii) Pacific Alliance Investment Management Limited held 52.53% interests in Pacific Alliance Equity Partners Limited; (iv) Pacific Alliance Equity Partners Limited held 100% interests in ARC Capital Partners Limited; (v) ARC Capital Partners Limited was deemed to be interested in 32,788,500 H shares of the Company in long position in its capacity as investment manager; (vi) ARC Capital Holdings Limited was a corporation controlled by ARC Capital Partners Limited; (vii) ARC Capital Holdings Limited held 46.67% interests in Walden Ventures Limited which in turn held 32,788,500 H shares of the Company in long position; (viii) Pacific Alliance Investment Management Limited held 100% interests in Pacific Alliance Group Asset Management Limited; (ix) Pacific Alliance Group Asset Management Limited was deemed to be interested in 32,788,500 H shares of the Company in long position in its capacity as investment manager; (x) Pacific Alliance Asia Opportunity Fund L.P. was a corporation controlled by Pacific Alliance Group Asset Management Limited; and (xi) Pacific Alliance Asia Opportunity Fund L.P. held 36.67% interests in Walden Ventures Limited which in turn held 32,788,500 H shares of the Company in long position.
3. 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 AG; (ii) UBS Asset Management (Singapore) Ltd; (iii) UBS Fund Management (Luxembourg) S.A.; (iv) UBS Fund Management (Switzerland) AG; (v) UBS Switzerland AG; (vi) UBS Asset Management (Americas) Inc.; (vii) UBS Asset Management (Hong Kong) Ltd; and (viii) UBS Asset Management Switzerland AG. Therefore, UBS Group AG was deemed to be interested in 3,143,819, 541,300, 20,157,100, 40,000, 206,298, 23,000, 866,000 and 39,000 H shares of the Company in long position held by the aforesaid companies, respectively.
4. (L) represents long position.

Save as disclosed above, as at 31 December 2022, 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 interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register to be kept by the Company under section 336 of the SFO.

## **INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES**

As at 31 December 2022, 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 10 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Hong Kong Stock Exchange.

## **THE RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES**

During the year ended 31 December 2022, 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 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 COMPANY’S LISTED SECURITIES**

During the year ended 31 December 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The Audit Committee was established with terms of reference in accordance with the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules. The Audit Committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advice thereon, including review of the relationship with external auditors, the Company’s financial reporting, risk management and internal control system. There was no disagreement between the Audit Committee and the external auditors on the accounting policies adopted by the Company. The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2022.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The below sections set out an extract of the report by PricewaterhouseCoopers Zhong Tian LLP, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 December 2022.

## **Our Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the “**Group**”) and the Company as at 31 December 2022, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

## **Material Uncertainty Related to Going Concern**

We draw your attention to Note 2(1) to the consolidated financial statements, which states that the Group’s net loss for the year ended 31 December 2022 was around RMB190 million and the Group’s net current liabilities amounted to RMB5.52 billion as at 31 December 2022. The arbitration case and overdue of debts of the Group incurred during the year ended 31 December 2020, the overdue of debts of Haikou Meilan, the Group’s Parent Company, incurred during the year ended 31 December 2019 and Hainan High People Court’s ruling on the acceptance of the substantial consolidated restructuring of HNA Group together with Haikou Meilan and other companies totalling 321 companies on 13 March 2021, have triggered the relevant default clauses of the Syndicated Loan, which resulted in the loan syndicate having the right to request, at any time, the Group to early repay the Syndicated Loan drawn down without repaid by the Company amounting to RMB1.94 billion as at 31 December 2022 and the Syndicated Loan drawn down without repaid by the Haikou Meilan amounting to RMB3.20 billion as at 31 December 2022 which the Group is jointly liable for repayment as a co-borrower. These conditions, together with other matters set forth in Note 2(1) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern. Our audit opinion is not modified in respect of this matter.

## **PARTICULARS ON COMPLIANCE WITH RULES 3.10(1), 3.10(2) AND 3.21 OF THE LISTING RULES**

As at 31 December 2022, the Board is comprised of four independent non-executive Directors. As at 31 December 2022, the Audit Committee is comprised of three independent non-executive Directors, one of whom has obtained accounting qualification and is a member 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 of all the Directors and supervisors, the Company confirmed that, all the Directors and supervisors have complied with the required standard set out in the Model Code and the code of conduct of the Company regarding directors’ and supervisors’ securities transactions during the year ended 31 December 2022.

## **COMPLIANCE WITH THE CG 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 CG Code and established a series of corporate governance systems in accordance with relevant requirements to continuously improve the corporate governance structure.

According to code provision C.2.1 of the CG Code, the responsibilities of the chairman and chief executive officer of listed issuers should be separate and should not be performed by the same individual. The arrangement of Mr. Wang Hong serving as both the chairman and president of the Company deviated from the code provision C.2.1 of the CG Code.

Notwithstanding the deviation from code provision C.2.1 of the CG Code, given that the Company has set out clearly in writing the respective responsibilities of the chairman and the president (i.e. the responsibilities of the general manager as stipulated in the Articles of Association), and Mr. Wang Hong, being the president of the Company, is familiar with and has superior knowledge and experience of the Company's business, therefore, the Board considers that Mr. Wang Hong serving as both the chairman and the president of the Company has the benefit of ensuring consistent leadership with the Company and enables 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 will enable the Company to make and implement decisions promptly and efficiently. The Board shall nevertheless review the structure from time to time and it will consider the appropriate move to take should suitable circumstances arise.

Save for the deviation disclosed above, during the year ended 31 December 2022, 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 shareholders.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement will be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as well as the Company's website at [www.mlairport.com](http://www.mlairport.com). The 2022 annual 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 28 April 2023.

## BOARD OF DIRECTORS

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

*Executive Directors*

WANG Hong (*Chairman and President*)

WANG Zhen

REN Kai

XING Zhoujin

*Independent Non-executive Directors*

FUNG Ching, Simon

DENG Tianlin

George F MENG

YE Zheng

*Non-executive Directors*

QIU Guoliang

LI Zhiguo

WU Jian

By order of the Board

**Hainan Meilan International Airport Company Limited\***

**Wang Hong**

*Chairman and President*

Haikou, the PRC

28 March 2023

*This announcement is published in English and Chinese.*

*In the event of any inconsistency between the two versions, the Chinese version shall prevail.*

\* *For identification purpose only*