

OTHER INFORMATION

CHANGE IN DIRECTORS

From 1 January 2006 to 30 June 2006, the changes in the Directors of the Company are as follow:

Mr. Zhang Cong has been appointed as executive director since 27 January 2006;

Mr. Dong Guiguo has been appointed as executive director since 25 May 2006;

Mr. Wang Zhen continues to be the Company's executive director for a term of three years after his term of office expired on 9 May 2006;

Mr. Chen Wenli has been resigned as non-executive director since 27 January 2006;

Mr. Huang Qiu has been resigned as executive director since 25 May, 2006;

There were no other changes in the Directorship.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2006, the Group had a total of 666 employees, representing a decrease of 25 employees as compared to 691 employees at the beginning of the year. The decrease was mainly attributable to the rationalization of the organization structure and optimization of manpower. Employees are remunerated based on their performance, experience and prevailing industry practices. The Group reviews its remuneration policy and packages on a regular basis. Bonuses and commissions may be awarded to employees as incentives based on their performance. All benefits are the rewards for the efforts contributed by individuals. For the six months ended 30 June 2006, the Group's total staff cost accounted for approximately 9.1% of its total turnover. The staff cost decreased by 0.7% from the corresponding period of last year, mainly due to that the salaries of the management decreased by RMB1,300,000 as compared to the corresponding period of last year.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 30 June 2006, none of the Directors or Supervisor or chief executive had any interests or short positions in any shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register of the Company required to be kept under section 352 of the SFO. None of the Directors, Supervisors, chief executives or their spouses or their children under 18 is entitled to subscribe for the shares of the Company.

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SHARE CAPITAL STRUCTURE

As at 30 June 2006, the total issued share of the Company was 473,213,000 shares. The percentage of the total shares is as follows:

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

DISCLOSURE OF INTERESTS

As at 30 June 2006, the following persons (other than Directors and chief executive of the Company) had interests and short positions in the shares and underlying shares of the Company as recorded in the register of interest in shares and short positions maintained under section 336 of the Securities and Futures Ordinance ("SFO").

Long positions in shares

Domestic shares

Name of shareholders	Capacity	Nature of shares	Number of ordinary shares	Percent of issued domestic shares (%)/ total issued shares (%)
Haikou Meilan International Airport Company Limited (Note 1)	Beneficial owner	Corporate	237,500,000	96.43/50.20

H shares

Name of shareholders	Capacity	Nature of shares	Ordinary shares capacity (Note 3)	Percentage of total H Shares in issue (%)	Date of latest disclosure (DD/MM/YYYY)
Copenhagen Airport A/S (Note 2)	Beneficial owner	Corporate	94,643,000	41.71(L)	31/12/2004
Deutsche Bank Aktiengesellschaft	Beneficial owner	Corporate	22,776,000	10.04(L)	19/06/2005
QVT Financial LP	Beneficial owner	Corporate	16,259,000	7.16(L)	19/06/2005
QVT Financial GP LLC (Note 4)	Beneficial owner	Corporate	16,259,000	7.16(L)	19/06/2005
QVT Fund LP	Beneficial owner	Corporate	14,969,649	6.59(L)	21/06/2005
QVT Associates GP LLC (Note 5)	Beneficial owner	Corporate	14,969,649	6.59(L)	21/06/2005
Templeton Asset Management Limited	Beneficial owner	Corporate	11,700,000	5.16(L)	25/04/2006
Utilico Emerging Markets Utilities Limited	Beneficial owner	Corporate	11,629,000	5.12(L)	15/02/2006

Note:

1. Haikou Meilan International Airport Company Limited is a company established in the PRC and is the controlling shareholder of the Company.
2. Copenhagen Airport A/S is a public company owned by the Danish government and other private and institutional investors in and outside Denmark, and the shares of which are listed on the Copenhagen Stock Exchange.
3. L = Long Position, S = Short Position, P = Lending Pool

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4. QVT Financial GP LLC is the controlling shareholder of QVT Financial LP. Accordingly, QVT Financial GP LLC is deemed to be beneficially interested in the Company's shares.
5. QVT Associates GP LLC is the controlling shareholder of QVT Fund LP. Accordingly, QVT Associates GP LLC is deemed to be beneficially interested in the Company's shares.

Long positions in underlying shares

No long positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

Short positions in shares

No short positions of other persons and substantial shareholders in the shares of the Company were recorded in the register.

Short positions in underlying shares

No short positions of other persons and substantial shareholders in the underlying shares of equity derivatives of the Company were recorded in the register.

Save as disclosed above, as at 30 June 2006, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the listed securities of the Company during the six months ended 30 June 2006.

AUDIT COMMITTEE

The audit committee of the Company has, together with the management, reviewed the accounting standards and practices adopted by the Group, and discussed matters relating to auditing, internal controls, financial reporting and non-exempt continuing connected transactions, including a review of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2006 and the interim results announcement.

The audit committee appointed external auditors, PricewaterhouseCoopers to perform agreed upon procedure to assist to review the reasonableness of certain financial information of the Group included in the unaudited condensed consolidated interim financial information for the six months ended 30 June 2006 and the disclosures requirements of the financial information included therein have been prepared in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), which is conducted in accordance with International Standard on Related Services ("ISRS") 4400-Engagements to Perform Agreed-upon Procedures Regarding Financial Information, issued by International Auditing and Assurance Standards Board.

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

As at 30 June 2006, there are 3 Independent Non-executive Directors in the Board of the Company as required under Rule 3.10(1) of Listing Rules; and as at 30 June 2006, the audit committee comprises three Independent Non-executive Directors, including personnel with appropriate professional qualifications of accounting and the membership of Hong Kong Institute of Certified Public Accountants.

IN COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has not adopted a code for securities transaction by directors on terms more exacting than the required standards of the Model Code due to the fact that most directors of the Company are Mainland China persons whose investment in H shares are subject to legal restriction from the PRC government. Following specific enquiry made with all directors, none of the directors of the Company failed to comply with the required standard set out in the Model Code regarding securities transactions by the directors during the accounting period covered by this interim report.