

macro-level. The medium-to-small chaebols (top six-to-thirty) increased their debt–equity ratios significantly. These groups invested in and effectively controlled the money market by owning merchant banks and other non-bank financial institutions (NBFIs) including insurance and securities firms . The leverage (medians) during 1988 and 1996 was three times higher than in the U.S. and Germany, and nearly double that in most Asian countries.

CHAPTER 3 RESEARCH METHOD

3.1 Research methods

The research methods of this paper include literature research method, comparative analysis method, empirical research method, induction summarization method and so on. The literature research method is the theoretical basis of this paper. The comparative analysis method is used to describe and analyze the status quo. The empirical analysis method is the main research method of this paper. Through the empirical analysis method, various financial indicators are selected as the research variables and the empirical model is used. The results of this study lead to the conclusion of the regression. At the end of the article, we use the inductive summary method to analyze the existing problems and make recommendations (Yu, 2003).

3.2 Research content framework

In order to scientifically and reasonably study the relationship between Hainan Airlines’s debt financing and corporate performance, and achieve the purpose of research, this article refers to the research ideas of scholars on related issues, and combines the writing characteristics of case studies to divide this article into five parts:

After the onset of the crisis, the IMF provided bail-out funds subject to reforms and improvement of macroeconomic indicators. The sweeping reforms included the restructuring of chaebols and corporate governance; reforms in bankruptcy procedures and firm exit procedures; protection of minority shareholders’ rights and the role of outside directors; changes in the governance structure of corporate bond markets ; and reforms to the banking sector.

In the second part, the concepts and theories related to debt financing and corporate

performance. This chapter first introduced the concept of debt financing and corporate performance and related financial indicators, and then introduced the theory of corporate debt financing and corporate performance. This chapter is an introductory chapter on concepts and theories, laying the foundation for subsequent research.

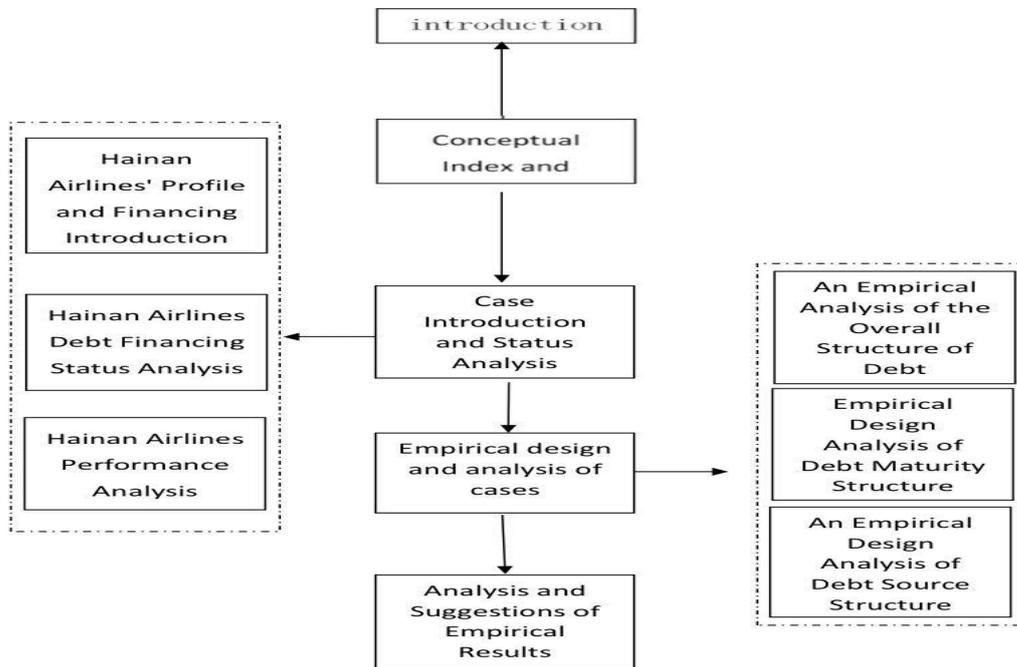
The third part is Hainan Airlines' profile and status quo analysis. This chapter briefly introduces the company's situation in Hainan Airlines, and then introduces Hainan Airlines' shareholding system development process and specific debt financing events. Finally, it analyzes the status of debt financing and corporate performance. This chapter is an introduction and preliminary analysis of the case.

In the fourth part, the empirical analysis of the relationship between Hainan Airlines debt financing and corporate performance. This chapter firstly selects and counts the variables required for research, and designs three regression models to study the relationship between Hainan Airlines' overall debt structure and corporate performance, debt maturity structure and corporate performance, and debt source structure and corporate performance. This chapter is an important part of the case study

The fifth part analyzes and proposes empirical results. This chapter analyses the probable causes of Hainan Airlines' debt financing problem through a combination of theory and practice, and finally puts forward proposals for improving the current status of debt and improving company performance. This chapter is the analysis and recommendation section of the empirical results.

The brief structure of this paper is presented in the form of a frame diagram, as shown below:

Figure 1: Structure of this article



3.3 Essay deficiencies

Due to the limited research level of individuals and the hurriedness of time, inevitably there are deficiencies in the writing of this article. After careful reflection, they are summarized as follows:

1. In the analysis of Hainan Airlines's debt financing and performance status, due to the limited ability of individuals to collect data and information, and the limited space of the article, this article only selected the financial indicators of Air China, China Southern Airlines, China Eastern Airlines and Hainan Airlines for comparison. In order to explain the status quo, it will inevitably lead to persuasive power.

2. In the empirical analysis, there are few data, Hainan Airlines was listed in 1999, and the 2015 annual report has not yet been announced. Therefore, the data from 1999 to 2014 can only be taken as a sample, plus this article only uses Hainan Airlines. The company is the object of study, which results in a low degree of fit to the regression results and has a certain influence on the accuracy of the research.

3. In the selection of the dependent variable, only the return on net assets is used to represent the performance of the company. There is no use of factor analysis to synthesize

multiple indicators that express performance into one comprehensive indicator. Therefore, the accuracy of the research results may be affected. The degree of influence.

CHAPTER 4 RESULTS AND ANALYSIS

4.1 Hainan Airlines' profile and status quo analysis

4.1.1 Profile of Hainan Airlines

Hainan Airlines is fully known as Hainan Airlines Co., Ltd., established in January 1993 and headquartered in Haikou, Hainan Province. After 20 years of rapid development, Hainan Airlines has become one of the four largest airlines in China (after China Southern Airlines, Eastern Airlines, and Air China) and is now the world's top 500 HNA Group's core pillar companies.

According to the 2014 annual report of Hainan Airlines, the company's total assets were RMB 121.9 billion, total operating revenue was RMB 36.043 billion, and the aviation industry was the company's main business. The revenue was RMB 32.415 billion, accounting for 90% of the total revenue. Among the main business, airline passenger transportation is the main business, with revenue of RMB 31.46 billion; and cargo and postal service and excess baggage revenue is RMB 894 million. Hainan Airlines' net profit attributable to shareholders in 2014 was 2.591 billion yuan.

Hainan Airlines has a young and luxurious fleet, mainly Boeing 737, 787 series and Airbus 330 series, of which Boeing 737 passenger aircraft as the main model. As of June 30, 2015, Hainan Airlines operated 182 aircraft, including passenger transportation and freight services. Hainan Airlines has established operating bases in various airports throughout the country. The routes have spread all over the country, covering Asia, and on this basis, radiate the world's continents. At present, Hainan Airlines has nearly 500 domestic and international air routes and nearly 90 navigable cities.

Since its inception, Hainan Airlines has won praise from all walks of life with its excellent safety record and excellent service quality. It has won many honors: In 2014, it won the 2014 World Tourism Awards (WTA) "2014 Asia's Best Business Class". Awards, and won the "World's Best Business Class 2014" award in December; Hainan Airlines has been shortlisted for five consecutive years since 2011 by BRANDZ Top 100 Most