ANNUAL REPORT 2011

BEIJING CAPITAL INTERNATIONAL AIRPORT COMPANY LIMITED

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)

Stock Code: 0694

Contents

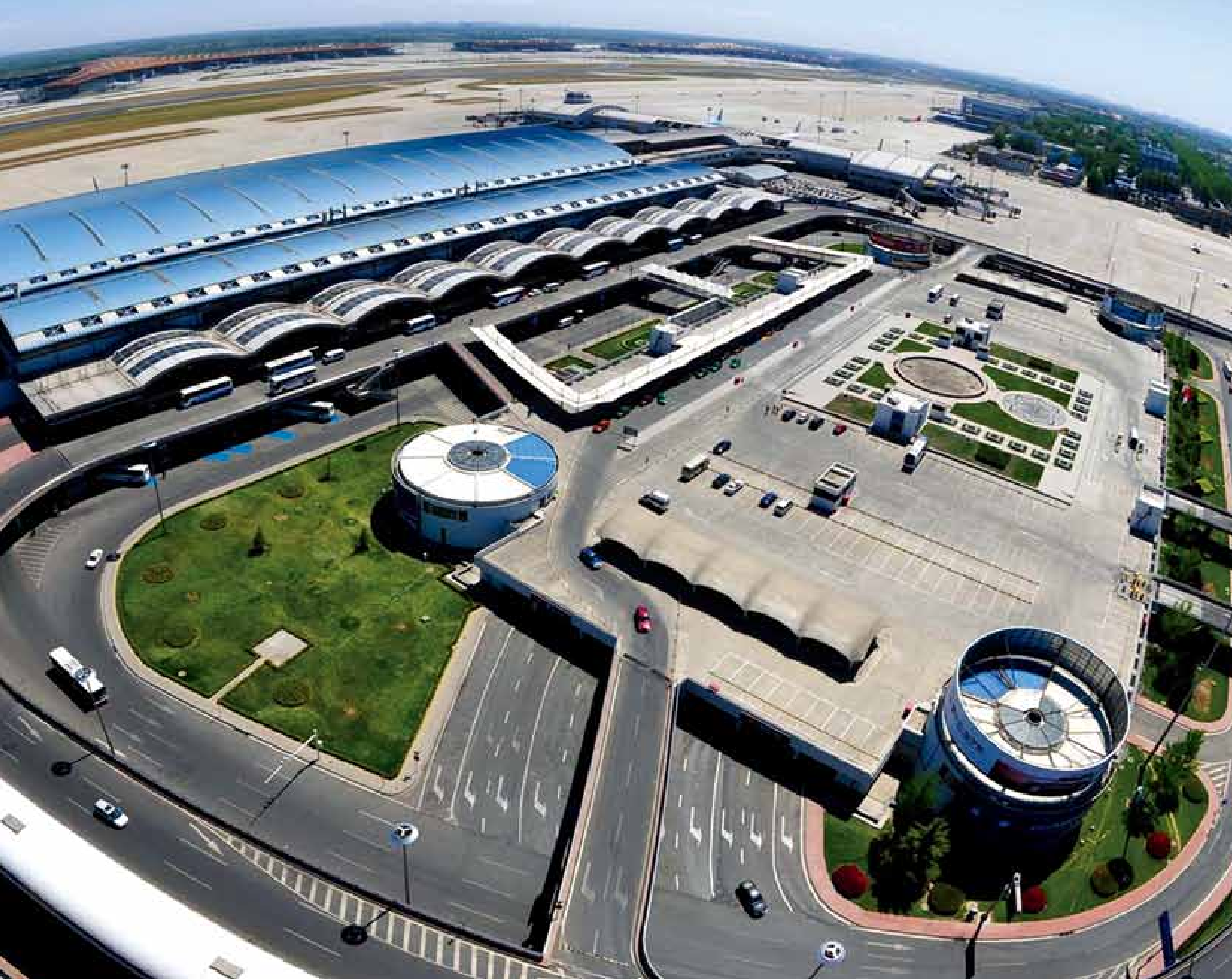
Financial Summary

(All amounts are expressed in thousands of Renminbi, except per share data)

	2011	2010	2009	2008	2007
Operating Results					
Revenues	**6,500,216**	5,776,731	4,964,869	4,624,438	3,516,125
EBITDA	**3,718,707**	3,016,061	2,293,210	860,391	2,189,409
Profit before tax	**1,485,596**	793,059	396,919	56,526	1,599,922
Tax	**(371,603)**	(197,868)	(100,948)	(13,031)	(530,370)
Profit for the year	**1,113,993**	595,191	295,971	43,495	1,069,552
Attributable to:					
Equity holders of the Company	**1,113,993**	595,191	295,971	43,495	1,069,552
Non-controlling interests	**—**	—	—	—	—
Earnings per share					
— basic and diluted *(RMB)*	**0.26**	0.14	0.07	0.01	0.26
Return on Equity	**7.70%**	4.43%	2.32%	0.35%	9.80%
Financial Position					
Assets					
Non-current assets	**31,546,967**	32,901,246	34,180,664	35,344,344	8,438,304
Current assets	**2,352,162**	2,079,366	2,550,100	2,463,416	4,011,947
Total	**33,899,129**	34,980,612	36,730,764	37,807,760	12,450,251
Equity and liabilities					
Shareholders' equity	**14,471,646**	13,434,786	12,733,676	12,437,705	10,908,690
Non-controlling interests	**—**	—	—	—	—
Non-current liabilities	**16,933,884**	18,604,220	6,675,361	8,567,671	51,358
Current liabilities	**2,493,599**	2,941,606	17,321,727	16,802,384	1,490,203
Total	**33,899,129**	34,980,612	36,730,764	37,807,760	12,450,251

Advocating and practising chinese-style services

Developing an international hub



Company Profile

Beijing Capital International Airport Company Limited (the "Company") was incorporated as a joint stock company with limited liability in the People's Republic of China on 15 October 1999 to own and manage the aeronautical operations and certain ancillary commercial businesses at the international airport in Beijing, the PRC (the "Beijing Capital Airport"). On 27 January 2000, 1,346,150,000 H shares in the Company of RMB1.00 each were issued to the public at HK$1.87 per share and such shares were listed on the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 1 February 2000. Upon such issue, the total share capital of the Company increased from 2,500,000,000 shares to 3,846,150,000 shares. Among which, Capital Airports Holding Company (the "Parent Company" or "CAHC") holds 2,500,000,000 domestic shares, representing 65% of the total share capital; the public investors hold 1,346,150,000 H shares, representing 35% of the total share capital. On 18 May 2001, as approved by the Ministry of Foreign Trade and Economic Cooperation of the PRC (the former entity of the Ministry of Commerce of the PRC), the Company became a foreign invested joint stock limited company.

The Company has completed the placing of H shares to institutional or professional investors in Hong Kong, on 4 October 2006 and 10 June 2008, respectively. Upon the completion of the above two placements, the total share capital of the Company increased to 4,330,890,000 shares. Among which, the Parent Company holds 2,451,526,000 domestic shares, representing 56.61% of the total share capital; the public investors hold 1,879,364,000 H shares, representing 43.39% of the total share capital.

At present, the Company is principally engaged in aeronautical and non-aeronautical businesses at the Beijing Capital Airport.

The aeronautical business of the Company consists of the provision of aircraft landings and take-offs and passenger service facilities, ground support services, and fire-fighting services for domestic and foreign air transportation enterprises.

By the end of 2011, there were 92 airliners operating fixed commercial flights at the Beijing Capital Airport, including 20 domestic airliners and 72 airliners from foreign countries, Hong Kong, Macau and Taiwan.

By the end of 2011, there were 222 flight points linking with the Beijing Capital Airport, including 116 domestic flight points and 106 international flight points.

The non-aeronautical business of the Company includes the franchise-based operation of: (1) ground handling agent services supplied for domestic and foreign airliners; (2) in-flight catering services; (3) duty free and other retail shops in the terminals; (4) restaurants and other catering businesses in the terminals; (5) leasing of advertising spaces inside and outside the terminals in the Beijing Capital Airport and other businesses.

The non-aeronautical business of the Company also includes the self-operation of: (1) leasing of properties in the terminals; (2) provision of car parking services, and (3) the provision of ground handling facilities for ground handling agent companies.

Chairman's Statement

MR. DONG ZHIYI
CHAIRMAN

In 2011, the Beijing Capital Airport has continuously achieved steady business growth, obvious profit increase and maintained a favourable trend of development.

To shareholders:

In 2011, the Beijing Capital Airport has continuously achieved steady business growth and maintained a favourable trend of development. Meanwhile, through implementing the strategy of building an international hub with steady steps, and vigorously strengthening the operation and management, the Company has significantly boosted the operation quality, so that remarkable improvement in respect of security, operation and services has been accomplished, and the financial results has improved significantly. With the prominent achievements that the Company attained in 2011, I am delighted to report to shareholders the 2011 operating and financial results of the Company, as well as our prospects for 2012.

STEADY GROWTH OF AIR TRAFFIC VOLUMES

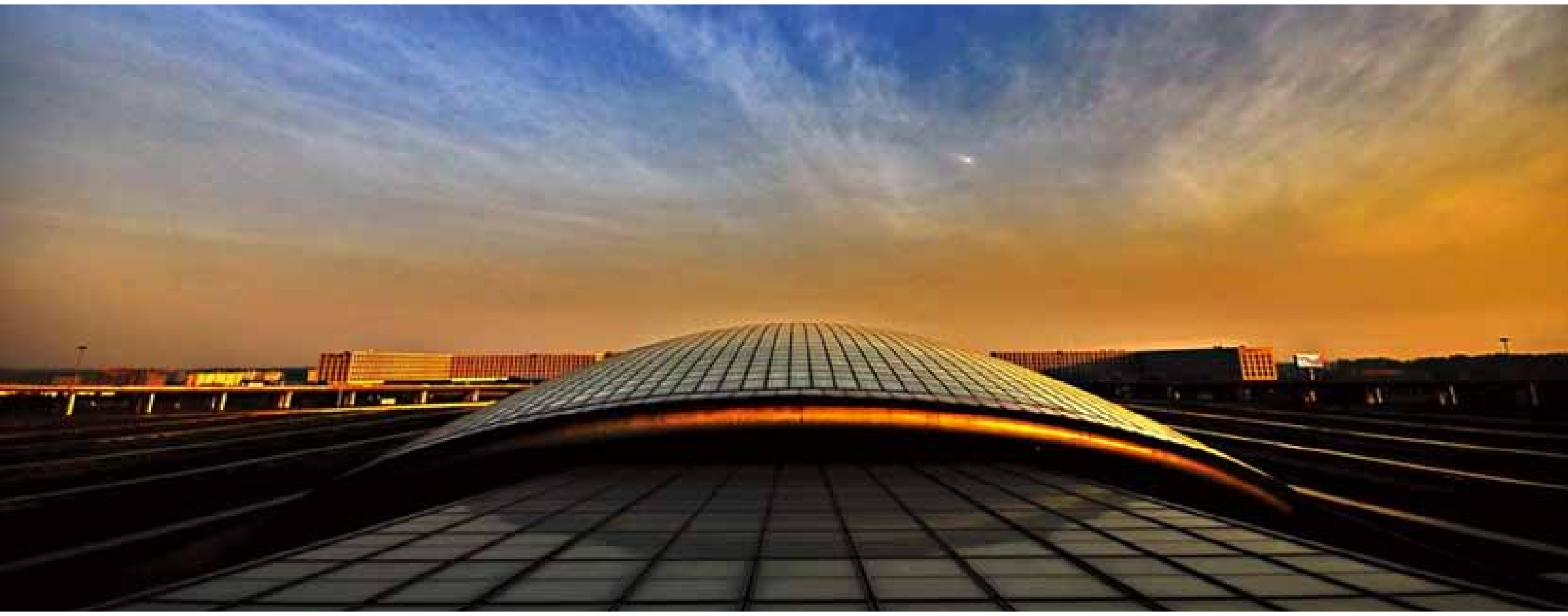
In 2011, despite a slowdown in the recovery of the economy of the world and weakening economic growth, the Beijing Capital Airport's air traffic volumes maintained its growth momentum on the whole, benefiting from the rapid growth of China's domestic economy. The annual aircraft movements and passenger throughput reached 533,257 sorties and 78,675,058 person-times, representing an increase of 3.0% and 6.4% over the previous year, respectively. The annual cargo and mail throughput was 1,640,247 tonnes, representing an increase of 5.7% over the previous year. According to the statistics of Airports Council International ("ACI"), the Beijing Capital Airport's passenger throughput firmly maintained the second place and its turnovers of aircraft movements and cargo throughput ranked the 7 and the 14 respectively worldwide in 2011.

STEADY IMPROVEMENTS IN SECURITY, OPERATION AND SERVICES

In 2011, the Company has taken various measures to ensure the airport's steady improvement in safety assurance capability, security level and overall margin of safety. Meanwhile, under the circumstances of continually rising air traffic volumes, highly limited operating resources and increasingly complex operating environment, the Beijing Capital Airport ensured safe, stable and smooth operation throughout the whole year, by optimizing the slot, replenishing operating resources, upgrading operational process and standards, as well as optimizing the guarantee mechanism for special weather conditions.

In 2011, the Company has continued to adhere to the customer-oriented approach and carried out the concept of "Chinese Service", enhanced dissemination of its service culture, improved service standards and tactics, so as to further enhance service quality. The Company took the lead among domestic airports to enter into the "Passenger Service Criteria" with resident entities of the airport including airlines and service providers, and became the first airport in the PRC to obtain the Airport Service Quality Assured (ASQA) Certification of ACI and the ISO10002 complaint management system certification. By consolidating such service resources as airport service staff, airlines staff and volunteers, the Company has provided all-round consultation and services to our passengers. In 2011, according to ACI's airport service quality survey, the satisfaction index of passengers at the Beijing Capital Airport for the whole year scaled a new high to hit 4.82 on a scale of 5, rising to the third place amid international airports. Meanwhile, the Beijing Capital Airport was also continuously certified by Skytrax* as Best Airport-China.

* Skytrax is a United Kingdom-based consultancy. It conducts research for the service of airline and airport industry. Skytrax is best known for their annual World Airline Awards and World Airport Awards.



OUTSTANDING PERFORMANCE IN OPERATING RESULTS

In 2011, in face of fierce market competition, the Company tapped its potential, further boosted operation quality and continuously proceeded with income increase and expenditure control, having achieved remarkable results.

In 2011, the Company further expanded its aviation network, introduced another 12 airlines like Alitalia, Swiss International Airlines etc., and increased 10 international and regional routes such as Beijing to Athens, Dusseldolf, Milan and Kaohsiung etc. (including 7 long-haul international routes). By virtue of the outstanding performance in routes marketing last year, the Company was honoured the Airport with the Most New Routes, Airport with the Most New Long-haul Routes, and Airport with the Most New Airlines of Asian Annies Awards by Anna Aero, a specialized aviation magazine in Great Britain. Throughout 2011, benefiting from the continuous increase of routes, as well as the stable growth of air traffic volume, the Company recorded aeronautical revenues of RMB3,806,307,000, representing an increase of 6.9% over the previous year.

The Company has devoted its efforts to expanding the non-aeronautical business, so that relevant revenue has been guaranteed to keep on rising rapidly. The Company increased sales volume by actively expanding international arrival duty free areas and promoting the per capita consumption of international passengers. Meanwhile, as the Company pressed ahead with exploration of commercial resources and increased new advertisement resources, the concession revenues from advertising maintained an admirable growth. Throughout 2011, the Company has achieved non-aeronautical revenues of RMB2,693,909,000, representing an increase of 21.6% over the previous year while accounting for 41.4% of the total revenue.

In 2011, the Company has finally achieved operating revenues of RMB6,500,216,000, representing an increase of 12.5% over the previous year.

While further tapping the commercial potential and broadening income sources, the Company continued with strict cost control, and successfully achieved the anticipated targets. Meanwhile, committed to the "Green Airport" concept with a focus on energy conservation and emission reduction, the Company further reduced energy consumption within the terminals and effectively controlled the power expenses by innovating the management model and adopting energy performance contracting ("EPC"). In 2011, the Company's operating expenses amounted to RMB4,155,195,000, representing a slight rise of 0.9% over the previous year.

In 2011, the Company continued to optimize its debt structure, and noticeably improved its capital structure, with its liability-to-asset ratio dropping below 60% for the first time since the acquisition of the Phase III Assets* in 2008.

In 2011, the Company's net profit after tax was RMB1,113,993,000, representing an obvious increase of 87.2% over the previous year. This indicated that the Company's sustained profitability has been further strengthened, with its operating results on a positive and robust upward trend.

NEW PROSPECTS HAVE BEEN OPENED UP IN INTERNATIONAL COMMUNICATION

In 2011, the Company has continued to expand sister airports relationship with the world's leading players, and the total number of our sister airports reached 17. Meanwhile, we successfully hosted the first Beijing Global Friend Airports CEO Forum, and attracted approximately 200 senior representatives from 34 airports and 13 airlines in 17 countries and regions around the world to join our discussion for future cooperation and development and enter into the Beijing Global Friendly Airports CEO Forum Agreement. Furthermore, through successful holding of the ACI Asia-Pacific/Middle East/Africa ASQ forums, the Company shared its Chinese Service concept and the best service practices, and its global profile and influence has been further promoted through increasingly extensive and deepening international communication and cooperation.

PROSPECTS FOR 2012

In 2012, due to the influence of macroeconomic conditions, the global civil aviation industry has seen a sign of slow growth. However, as China is still at a significant strategic stage for further development, the economy is developing optimistically and its national economy will maintain a steady and rapid growth momentum. Therefore, relying on its strategic position, location advantages, and relatively stable market demands, the Beijing Capital Airport will remain on track to a steady and robust growth in 2012.

* the airfield assets (including runway base courses, runway wearing courses, taxiways, road non-asphalt layers, road asphalt layers, aprons and tunnels, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport ("T3"), T3 related assets, roads within the airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related constructions are situated (collectively the "Phase III Assets")

Chairman's Statement (Continued)

Preliminary statistics show that for the first two months of 2012, when comparing with the corresponding period of the previous year, the Beijing Capital Airport's aircraft movement has increased by 5.9%, including the growth of domestic routes by 5.8% and the growth of international and regional routes by 6.2%; the growth of passenger throughput was 6.5%, including domestic routes' growth by 4.8% and international and regional routes' growth by 12.4%. The rapid increase in air traffic volumes from international and regional routes will help to optimize the overall flight structure of the Beijing Capital Airport and promote a rapid growth of related aeronautical revenues.

In 2012, the Company will further reinforce the multilateral cooperation mechanism, continue to strengthen cooperation with Air China and Star Alliance in respect of hub construction and set up cooperation platforms with China Southern Airlines, China Eastern Airlines and Sky Team Alliance, explore international markets by increasing destinations in North America and Europe and expanding international routes in the south of Africa, and improve airline networks between Beijing and other major cities across the world. The Company will also strive to boost resources value, realize the value of new resources by optimizing business planning within terminals, continue to introduce new business and explore new markets to constantly enhance the contribution of non-aeronautical business, and promote the increase in cargo traffic volumes and cargo profitability by facilitating transformation of the operating model of the cargo business in the Beijing Capital Airport. Meanwhile, the Company will further enhance cost management efforts and duly control the scale and pace of fixed assets investment so as to effectively control capital expenditure.

In 2012, the Company will stay committed to improving the security, operation and service quality of the airport, further turn the Chinese Service concept into concrete service practices which can be experienced by passengers, firmly implement and promote the brand concept of "Enjoy the Service, Enjoy the Experience", and vigorously advocate the concept of scientific and green airport and earnestly advance technological innovation.

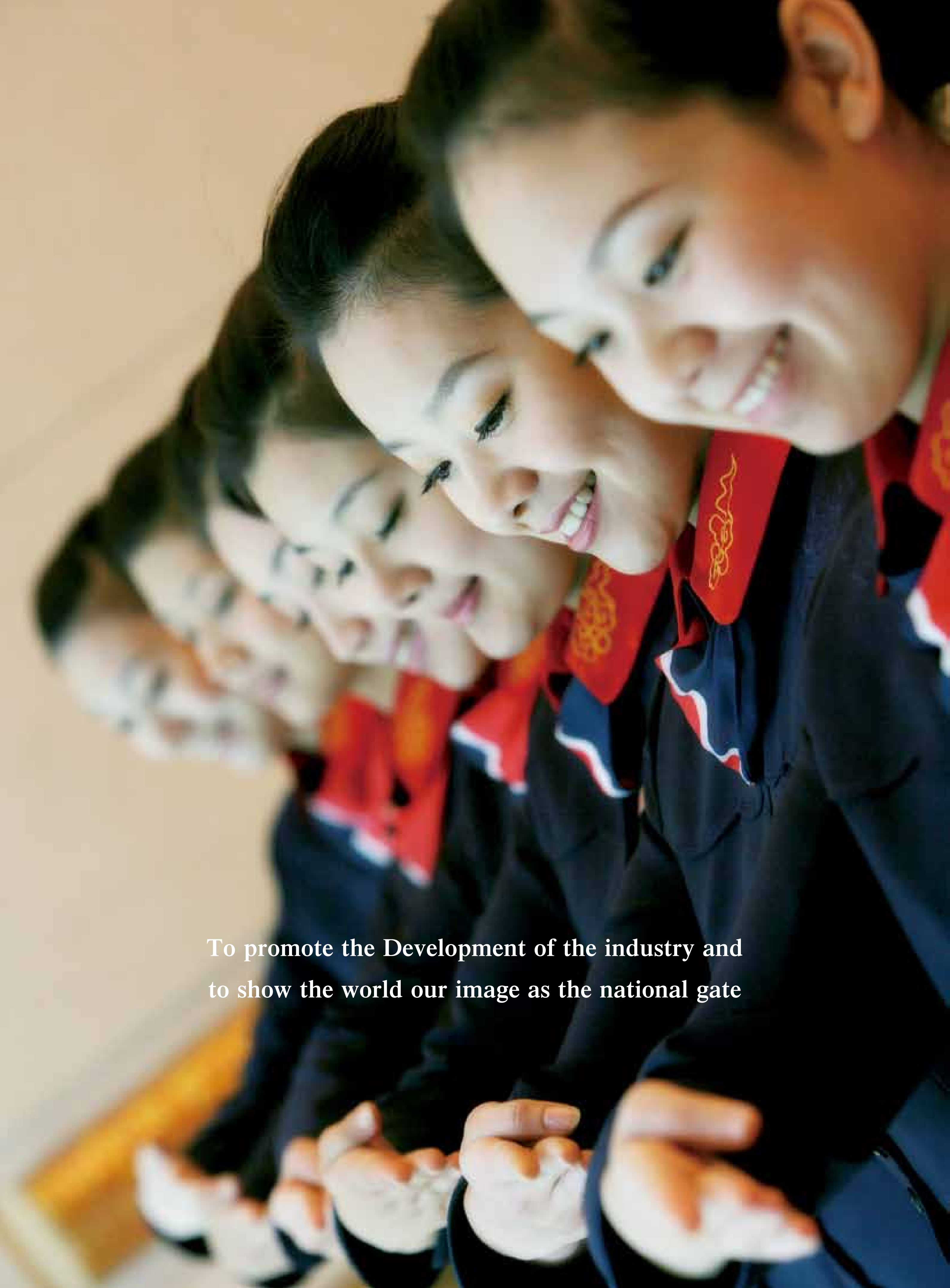
At present, the Beijing Capital Airport has become one of the world's busiest and most complicated airports in terms of operation and management. With the sustained and rapid growth in the air traffic volumes, the Beijing Capital Airport's capacity is gradually tending to saturation with more and more prominent conflict between shortage of resources and passenger demands. As a result, the Company will speed up planning and replenishment of operational resources, actively promote implementation of major projects including the overall expanding retrofitting of Terminal Two ("T2"), and the commencement of operation of the building D of Terminal Three ("T3D"), and enhance the air traffic control efficiency by promoting the independent operation of three runways through coordinated efforts.

The Company will pay close attention to any policy adjustment and development trend in the industry that might influence the Beijing Capital Airport's future development, and facilitate the regulation of the charging policy for "domestic airlines operating international routes". Meanwhile, the Company will proactively explore and analyze the potential influence resulting from the possible tax reform of levying Value-Added Tax instead of Business Tax. Moreover, in view of the preliminary construction work of the new airport in Beijing, the Company will also follow the construction of the new airport in Beijing in all respects, actively exerting the coordinating role of the Company's working groups, and proceed with the relevant research work on the construction of the new airport.

Looking back in 2011, the Beijing Capital Airport has accomplished outstanding progress. Through persistent efforts, the operating scale, security support, service quality and operating results of the Beijing Capital Airport have stepped into a new stage. I hereby would like to thank all shareholders for your trust and support, thank all governmental authorities that support the Beijing Capital Airport, thank all airlines and other parties operating at the Beijing Capital Airport, and thank all staff of the Company for their hard work and dedication in 2011.

DONG Zhiyi
Chairman

Beijing, the PRC, 30 March 2012



To promote the Development of the industry and to show the world our image as the national gate

Report of the Board

The board of directors of the Company ("the Board") is pleased to present the annual report and the audited financial statements of the Company for the fiscal year ended 31 December 2011.

OPERATING RESULTS AND FINANCIAL POSITION

The Company's operating results for the year ended 31 December 2011 and the financial position of the Company for the year ended 31 December 2011 were prepared basing on International Financial Reporting Standards ("IFRS") are set out on pages 81 to 172 of the annual report.

DIVIDEND

The Board recommended the payment of a final dividend of RMB0.05936 per share for the year of 2011 (the "2011 Final Dividend"), with the total amount of approximately RMB257,082,000 intended to be distributed (Note). The Company did not pay any dividend for the year of 2010. The proposal is subjected to the approval of the forthcoming 2011 Annual General Meeting ("AGM").

The Company had paid 2011 interim dividend with a total amount of approximately RMB77,133,000 (RMB0.01781 per share).

There was no arrangement under which any shareholder of the Company has waived or agreed to waive any dividend during the year ended 31 December 2011.

Note: Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China” and the “Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China”, both implemented in 2008, and the “Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H-Share” (No.897 GSH[2008]) issued by China’s State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% when distributing the 2011 Final Dividend to the non-resident enterprise H share shareholders whose names appear on the register of members for H shares of the Company on 14 June 2012 (the “Record Date”). For the holders of the H shares (the “H Shareholders”) who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which shall be treated as “non-resident enterprises” shareholders) on the register of members for H shares of the Company on the Record Date, the Company will distribute the 2011 Final Dividend, after withholding and paying enterprise income tax of 10%.

Based on the Company’s consultations with the relevant PRC tax authorities, for all natural persons whose names are registered on the register of members for H shares of the Company, being a foreign investment enterprise (外商投資企業), on the Record Date, no income tax will be required to be withheld and paid by the Company.

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Company as at 31 December 2011 and their movements for the fiscal year ended 31 December 2011 are set out in Note 6 to the Financial Statements.

RESERVES

Changes in reserves of the Company for the fiscal year ended 31 December 2011 is set out on pages 135 to 136 of this annual report.

FINANCIAL SUMMARY

A summary of the results and the financial position of the Company for the past five financial years is set out on page 2 of this annual report.

ISSUED SHARE CAPITAL

No share capital was issued by the Company during the fiscal year ended 31 December 2011.

The disclosure of equity interests of the Company as at 31 December 2011 is set out on pages 32 to 33 of this annual report.

TAXATION

The details of taxation of the Company for the fiscal year ended 31 December 2011 are set out in Note 28 to the Financial Statements.

ENTRUSTED LOANS AND OVERDUE FIXED DEPOSITS

As at 31 December 2011, the Company has no entrusted loans or any fixed deposits matured but not yet withdrawn placed in financial institutions or any other entities.

MAJOR CUSTOMERS AND SUPPLIERS

The largest customer, Air China Limited (including its subsidiaries), and the five largest customers of the Company represented 21.2% and 56.2%, respectively, of the total revenues of the Company for the year ended 31 December 2011

The largest supplier, Capital Airports Power and Energy Co., Ltd. and the five largest suppliers of the Company represented 15.2% and 37.2%, respectively, of the total operating expenses of the Company for the year ended 31 December 2011.

To the knowledge of the Board, none of the Company's directors and their respective associates (as defined in the Listing Rules) or shareholders holding more than 5% of the Company's issued share capital (excluding the Parent Company) owned any interests in the Company's five largest customers or five largest suppliers at any time during the year ended 31 December 2011. The Parent Company was one of the five largest suppliers and also held the equity of the five largest suppliers of the Company as follows: held 100% equity interest of Capital Airports Power and Energy Co., Ltd.; held 100% equity interest of Capital Airport Aviation Security Co., Ltd.; held 100% equity interest of Beijing Capital Airport Property Management Company Limited.

SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES

The Company has no subsidiary but holds 60% equity interests in one jointly-controlled entity, Beijing Bowei Airport Support Limited ("Bowei"), as at 31 December 2011. Details are set out in Note 9 to the Financial Statements.

ACQUISITION AND DISPOSAL

The Company has not conducted any other acquisition or disposal during the year ended 31 December 2011.

MATERIAL ACQUISITION AND MATERIAL SUBSEQUENT EVENT

During the financial year ended 31 December 2011, the Company has no material acquisition and material subsequent event.

TRADE AND OTHER RECEIVABLES

As at 31 December 2011, the Company's trade and other receivables (including non-current portion) were RMB1,116,389,000 and representing a decrease of 8.5% as compared with the previous year.

The details of the Company's trade and other receivables are set out in Note 10 to the Financial Statements, and the policies relating to the trade and other receivables and the impairment contained in Note 2(k) to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year ended 31 December 2011, the Company has not redeemed, purchased or sold any of its listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of PRC, by which the shareholders of this Company would oblige the Company to offer new shares in proportion to their shareholding.

CONNECTED TRANSACTIONS

Continuing Connected Transactions

According to the requirements under Chapter 14A of the Listing Rules, the continuing connected transactions of the Company, which are subject to the annual review requirements for the year ended 31 December 2011, are set out as follows:

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
1	The Company and Beijing Capital Airport Food Management Company Limited ("BAFM") entered into the Restaurant Franchise-out Agreement on 1 January 2005 with effect from 1 January 2005 to 31 December 2014, pursuant to which the Company agreed to franchise the designated restaurants and related premises of Beijing Capital Airport from time to time to BAFM for its exclusive operation of restaurants business in Beijing Capital Airport. The execution of this agreement is expected to enhance the quality of restaurants and food & beverage services of Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport and improving the cost control of the Company. Further, the rental receivable under this agreement will increase the overall income of the Company. For details of the relevant transactions, please refer to the Company's announcement on 27 November 2008.	Capital Airports Holding Company ("Parent Company") is holding 100% equity interest of BAFM.	**107,459**	*Note (1)*
2	The Company and Beijing Capital Airport Commercial & Trading Company Limited ("BACT") entered into the Retail Franchise-out Agreement on 1 January 2005 with effect from 1 January 2005 to 31 December 2014, pursuant to which the Company agreed to the franchise the designated retail premises of Beijing Capital Airport from time to time to BACT for its exclusive operation of retail business in Beijing Capital Airport; the merchandises offered include cigarette, alcohol, cosmetics, packed food and beverage, arts and crafts, ornaments, fashion, bags & cases, books & audio/video products, and other merchandise falling in the scope of business of BACT as approved by the competent authorities. The execution of this agreement is expected to enhance the quality of trading and retail services of Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport and improving the cost control of the Company. Further, the rental receivable under this agreement will increase the overall income of the Company. For details of the relevant transactions, please refer to the Company's announcement on 27 November 2008.	The Parent Company is holding 100% equity interest of BACT.	**761,492**	*Note (1)*

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
3	The Company and Beijing Capital Airport Advertising Company Limited ("BAA") entered into the Advertising Franchise-out Agreement on 1 January 2005 with effect from 1 January 2005 to 31 December 2014, pursuant to which the Company agreed to franchise the designated advertising resources in certain areas of Beijing Capital Airport from time to time to BAA for its exclusive operation of advertising business in Beijing Capital Airport. The execution of this agreement is expected to enhance the quality of advertising services of Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport and improving the cost control of the Company. Further, the rental receivable under this agreement will increase the overall income of the Company. For details of the relevant transactions, please refer to the Company's announcement on 27 November 2008.	The Parent Company is holding 100% equity interest of BAA.	**707,511**	*Note (1)*
4	The Company and Beijing Aviation Ground Services Company Limited ("BGS") entered into the Franchise Agreement for Ground Handling Services on 14 January 2011 with effect from 1 January 2011 to 31 December 2011, pursuant to which the Company agreed to the provision of ground handling services by BGS at Beijing Capital Airport. The execution of this agreement is expected to drive the development of the market for ground handling services and enhance the quality of ground handling services of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement on 14 January 2011.	The Parent Company is holding 60% equity interest of BGS. *Note (2)*	**14,536 *Note (2)***	18,343

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
5	The Company and BGS entered into the Terminals Maintenance Agreement on 14 January 2011 with effect from 1 January 2011 to 31 December 2013, pursuant to which the Company agreed to lease to BGS the office areas (including the check-in counters, the office premises, the warehouses and other areas therein) in Terminal One, Terminal Two and Terminal Three. The execution of this agreement is expected to bring in a steady cash flow to the Company. For details of the relevant transactions, please refer to the Company's announcement on 14 January 2011.	The Parent Company is holding 60% equity interest of BGS. *Note (2)*	**64,087 *Note (2)***	92,000
6	The Company and BGS entered into the Freight Terminal Lease on 15 October 1999 with effect from 15 October 1999 to 17 August 2014, pursuant to which the Company agreed to lease to BGS the Freight Terminal. The execution of this lease is expected to bring in a steady cash flow to the Company. The Company intended to raise the rental of freight terminal lease for BGS along with the increasing average rental rate of Chinese market. As a result, the Company and BGS entered into a supplemental agreement on 15 December 2010 for the revision of annual caps. For details of the relevant transactions, please refer to the Company's prospectus and announcement on 15 December 2010.	The Parent Company is holding 60% equity interest of BGS. *Note (2)*	**26,100 *Note (2)***	38,000
7	The Company and BGS entered into the Leasing Agreement on 15 October 1999 with effect from 15 October 1999 to 17 August 2014, pursuant to which the Company agreed to lease to BGS the land for parking the special-purpose vehicles. The execution of this lease is expected to bring in a steady cash flow to the Company. For details of the relevant transactions, please refer to the Company's prospectus.	The Parent Company is holding 60% equity interest of BGS. *Note (2)*	**1,628 *Note (2)***	3,200

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
8	The Company and BGS entered into the Deicing Services Co-operation Agreement on 27 August 2010 with effect from 1 September 2010 to 31 August 2011, pursuant to which the Company agreed to provide BGS with the deicing facilities and equipment, and BGS agreed to liaise with and enter into the relevant deicing services agreements with the airline companies for the provision of the deicing services, collect the deicing fee and pay the relevant taxes. The execution of this agreement is expected to enhance the operating efficiency and safety and reduce the relevant costs of the Company for directly providing the deicing services to the airline companies. Further, the execution of this agreement can raise the capacity of Beijing Capital Airport during the snowy days in winter and elevate the aeronautical revenue level of the Company, thus benefiting the development of the Company. For details of the relevant transactions, please refer to the Company's announcement on 27 August 2010.	The Parent Company is holding 60% equity interest of BGS. *Note (2)*	**12,566** ***Note (2)***	16,000
9	The Company and Capital Airport VIP Services Management Company Limited ("CAVSM") entered into the Lease of Commercial Areas and Other Premises on 31 December 2009 with effect from 1 January 2010 to 31 December 2011, pursuant to which the Company agreed to lease the commercial areas and other premises (mainly including the service counters, the public rooms and the exhibition areas) inside the terminal buildings to CAVSM. The execution of this lease is expected to provide the passengers with quality services, and bring in a steady cash flow to the Company. For details of the relevant transactions, please refer to the Company's announcement on 31 December 2009.	The Parent Company is holding 100% equity interest of CAVSM.	**93,462**	108,900

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
10	The Company and the Parent Company entered into the GTC Management Agreement on 7 June 2011 with effect from 1 January 2011 to 31 December 2011, pursuant to which the Company agreed to provide the management and operation services for GTC of Beijing Capital Airport. The execution of this agreement is expected to bring in a steady cash flow to the Company, increase its revenue, and help with the business operation of its terminal buildings. For details of the relevant transactions, please refer to the Company's announcement on 7 June 2011.	The Parent Company is holding 56.61% of the issued share capital of the Company.	**6,340**	7,000
11	The Company and the Parent Company and its subsidiaries (other than the Company) entered into the IT System Management and Maintenance Agreement on 31 December 2009 with effect from 1 January 2010 to 31 December 2012, pursuant to which the Company agreed to provide the information technology system management and maintenance services and information technology system project implementation services to the Parent Company and its subsidiaries. The execution of this agreement is expected to bring in a steady cash flow to the Company, unify the management and enhance the security of the information technology system of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement on 31 December 2009.	The Parent Company is holding 56.61% of the issued share capital of the Company.	**13,460**	20,000

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
12	The Company and Capital Airports Aviation Security Company Limited ("CAAS") entered into the Supply of Aviation Safety and Security Guard Services Agreement on 27 November 2008 with effect from 1 January 2009 to 31 December 2011, pursuant to which CAAS agreed to provide Beijing Capital Airport with aviation safety and security guard services. Since CAAS has the expertise and experience on the provision of aviation safety and security guard services in Beijing Capital Airport, it is able to provide an integrated and complete range of aviation security services to the Company. The Company considers that the engagement of CAAS for the provision of aviation safety and security guard services will enable the Company to focus on developing and operating its core businesses in Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement on 27 November 2008.	The Parent Company is holding 100% equity interest of CAAS.	**356,523**	419,399
13	The Company and Capital Airports Power and Energy Company Limited ("CAPE") entered into the Supply of Power and Energy Services Agreement dated 27 November 2008 with effect from 1 January 2009 to 31 December 2011, pursuant to which CAPE agreed to supply water, electricity, steam, natural gas, air-conditioning and heating for the use by the staff of the Company and for the daily business operations of the Company in Beijing Capital Airport. The execution of this agreement is expected to have steady supply of water, electricity, steam, natural gas, air-conditioning and heating to the Company. CAPE is the only service provider of water, electricity, steam, natural gas, air-conditioning and heating in the district where Beijing Capital Airport is located, and has the ample experience in providing such services to the Company. For details of the relevant transactions, please refer to the Company's announcement on 27 November 2008.	The Parent Company is holding 100% equity interest of CAPE.	**534,269**	811,910

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
14	The Company and CAPE entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Agreement on 14 January 2011 with effect from 1 January 2011 to 31 December 2013, pursuant to which CAPE agreed to provide the operation and maintenance services of power and energy facilities to the Company at Beijing Capital Airport. The execution of this agreement is expected to provide the operation and maintenance services of power and energy facilities of power, water heating, air-conditioning, lightings, etc, at the zone where the Terminal One, Terminal Two and Terminal Three are located and electricity and water facilities of office building as well as the operation and maintenance services of sewage disposal station and garbage incineration station and the provision of other relevant services as requested by the Company. For details of the relevant transactions, please refer to the Company's announcement on 14 January 2011.	The Parent Company is holding 100% equity interest of CAPE.	**95,489**	117,000
15	The Company and Beijing Capital Property Management Company Limited ("BCPM") entered into the Miscellaneous Services Sub-contracting Agreement on 27 November 2008 with effect from 1 January 2009 to 31 December 2011, pursuant to which BCPM agreed to provide the Company with the various sanitary and baggage cart management services in Beijing Capital Airport. The execution of this agreement is expected to improve the quality of sanitary and baggage cart management services for Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport and improving the cost control of the Company. For details of the relevant transactions, please refer to the Company's announcement on 27 November 2008.	The Parent Company is holding 100% equity interest of BCPM.	**144,429**	403,365

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
16	The Company and BCPM entered into the Supply of Greening and Environmental Maintenance Services Agreement on 31 December 2009 with effect from 1 January 2010 to 31 December 2011, pursuant to which BCPM agreed to provide the Company with the greening and environmental maintenance services in Beijing Capital Airport. The execution of this agreement is expected to enable the Company management to focus on the aeronautical businesses, and effectively control the relevant costs. For details of the relevant transactions, please refer to the Company's announcement on 31 December 2009.	The Parent Company is holding 100% equity interest of BCPM.	**28,370**	53,800
17	The Company and BCPM entered Into the Carpark Operation and Management Agreement on 16 April 2011, in relation to the operation and management of the car park in the west zone of Beijing Capital Airport, with effect from 16 April 2011 to 15 April 2014, pursuant to which BCPM agreed to (i) provide the Company with operation and management services in respect of the car park in the west zone of Beijing Capital Airport, including being responsible for the safety, services, operation and other matters in respect of all car park premises; and (ii) fully comply with the service standard, supervision and guidance of the Company in respect of the provision of the management services. The execution of this agreement is expected to reduce the operation cost to be paid by the Company for the management of the car park, while stimulating competition between the service providers in the east and west zones of Beijing Capital Airport and thus encouraging the two service providers to improve the quality of their services. For details of the relevant transactions, please refer to the Company's announcement on 19 April 2011.	The Parent Company is holding 100% equity interest of BCPM.	**18,363**	21,158

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
18	The Company and the Parent Company entered into the Airfield Land Lease Agreement on 26 October 2006, for the lease of Airfield Land from the Parent Company. The term of the Airfield Land Lease Agreement is 20 years from the date on which the approval from the Beijing Bureau of Land and Resources on the transactions contemplated under the Airfield Land Lease Agreement is obtained, subject to renewal for 20 years on same terms and conditions upon request by the Company in accordance with the applicable PRC laws, and subject to further renewal for 10 years on same terms and conditions upon request by the Company in accordance with the applicable PRC laws. The execution of this Agreement is expected to ensure the long term use of the said airfield areas and to save a substantial amount of capital expenditure in acquiring the land use rights to the Airfield Land. On 31 January 2008, the Company and the Parent Company entered into a supplemental agreement for adjustment of rental. For details of these transactions, please refer to the Company's announcements on 26 October 2006 and 31 January 2008.	The Parent Company is holding 56.61% of the issued share capital of the Company.	**28,000** ***Note (3)***	28,000 *Note (3)*
19	The Company and the Parent Company entered into the Information Technology Center Lease Agreement on 14 January 2011, for the lease of the Information Technology Center from the Parent Company, with effect from 1 January 2011 to 31 December 2013, pursuant to which the Company leased the Information Technology Center from the Parent Company as a command centre for Beijing Capital Airport and to house the information technology system in order to ensure the smooth operation of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement on 14 January 2011.	The Parent Company is holding 56.61% of the issued share capital of the Company.	**16,321**	17,000

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
20	The Company and the Parent Company entered into the Lease Agreement on 16 November 1999, for the lease of the land use rights to the runways, aprons and parking lands from the Parent Company. The term of the lease of the land use rights to the runways and aprons is 50 years, while the term of the lease of the land use rights to the parking lands is 40 years. For details of the relevant transactions, please refer to the Company's prospectus.	The Parent Company is holding 56.61% of the issued share capital of the Company.	**7,423**	7,454 *Note (4)*
21	The Company and Beijing Capital Airport Property Management Center ("BAPMC") entered into the Lease of Office Building on 31 December 2009 for the lease of the office building from BAPMC, with effect from 1 January 2010 to 31 December 2012. The execution of this lease is expected to address the Company's need for a daily operation site. For details of the relevant transactions, please refer to the Company's announcement on 31 December 2009.	The Parent Company is holding 100% of the issued share capital of BAPMC.	**37,345**	52,541
22	The Company and CAVSM entered into the Service Staff Engagement Agreement on 5 May 2009 with effect from 1 January 2009 to 31 December 2011, pursuant to which CAVSM agreed to designate staff for Beijing Capital Airport to provide the travelling guidance service to the passengers of Beijing Capital Airport. The execution of this agreement is expected to improve the quality of passenger services and promote the image of Beijing Capital Airport. Thereafter, the passenger throughput of Beijing Capital Airport increased unexpectedly and the Company intended to further improve the overall level of services. On 15 December 2010, the Company and CAVSM entered into a supplemental agreement for revision of annual caps. For details of the relevant transactions, please refer to the Company's announcements on 5 May 2009 and 15 December 2010.	The Parent Company is holding 100% equity interest of CAVSM.	**22,210**	30,000

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2011 *RMB'000*	Annual Cap *RMB'000*
23	The Company and Beijing Aviation Construction Engineering Co., Ltd. ("BACE") entered into the Airfield Light and Cable Maintenance Agreement on 10 January 2011 with effect from 1 July 2010 to 30 June 2011, pursuant to which BACE agreed to provide regular and emergency inspection and maintenance services on the lights and cables in the airfield areas of Beijing Capital Airport. The execution of this agreement is expected to ensure the safety and reliability of the operation of lights and cables in Beijing Capital Airport. On 7 June 2011, the Company and BACE renewed the Airfield Light and Cable Maintenance Agreement with effect from 1 July 2011 to 30 June 2013. For details of the relevant transactions, please refer to the Company's announcements on 9 May 2011 and 7 June 2011.	The Parent Company is indirectly holding 56.651% equity interest of BACE.	**5,820**	6,850 *Note (5)*
24	The Company and Beijing Capital Airport Group Finance Company Limited ("BAGF") entered into the Financial Service Agreement on 14 January 2011 with effect from 1 January 2011 to 31 December 2013, pursuant to which BAGF agreed to provide the Company with deposit services, loan and guarantee services, and other financial services. The execution of this agreement is expected to enable the Company to obtain the convenient and effective financial services. For details of the relevant transactions, please refer to the Company's announcement on 14 January 2011.	The Parent Company is holding 100% equity interest of BAGF, either directly or indirectly.	**188,756** ***Note (6)***	For deposit services: 240,000; For other financial services: 10,000.

Notes:

(1) In 2008 and 2009, the Parent Company acquired BAFM, BAA and BACT, and such companies which became its subsidiaries. The Company announced on 27 November 2008 that no annual caps were set for the transactions with these companies.

(2) On 10 October 2011 (the "Disposal Date"), the Parent Company sold its 43% equity interest in BGS to a third party, and the Parent Company now holds 17% of the equity interest of BGS and has no significant influence on BGS. Therefore, BGS is no longer a connected party of the Company. The transactions amount between the Company and BGS disclosed herein was incurred during the period from 1 January 2011 to the Disposal Date.

(3) The Airfield Land Lease Agreement and the related supplemental agreement, including the rented areas and rental, is in the process of obtaining approval from the related land governmental authorities.

(4) The cap for the year 1999 was no more than RMB5,600,000. Since 1999, the annual cap may increase by no more than 10% every three years; the cap for the year 2011 may increase by no more than 33.1% over the year 1999, to RMB7,453,600.

(5) The Company disclosed the maximum aggregate fee, i.e., RMB2,950,000 of the period from 1 January 2011 to 30 June 2011 in the announcement of the Company on 9 May 2011; the Company disclosed the maximum aggregate fee, RMB3,900,000, of the period from 1 July 2011 to 31 December 2011 in the announcement of the Company on 7 June 2011. Therefore, the maximum aggregate fee for the whole year is RMB 6,850,000.

(6) This amount is the highest daily deposit balance of the Company placed in BAGF. As at 31 December 2011, the Company's deposit balance at BAGF was RMB188,756,000.

Report of the Board (Continued)

The aforesaid continuing connected transactions were reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid continuing connected transactions were entered into:

1. in the ordinary and usual course of business of the Company;

2. either (i) on the normal commercial terms or (ii) on the terms no less favourable to the Company than the terms available to or from independent third parties (if applicable); and

3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The company's auditor was engaged to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Company as above in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

CONNECTED TRANSACTIONS

According to the requirements under Chapter 14A of the Listing Rules, the connected transactions of the Company, which are subject to the announcement and reporting requirements for the year ended 31 December 2011, are set out as follows:

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Consideration of connected transactions
1	The Company and BACE executed the Deicing Facility Construction Services Agreement dated 23 March 2011, pursuant to which, BACE agreed to provide the Company with the construction services for the deicing apron on the north end of the central runway of Beijing Capital Airport, as well as other relevant facilities. The term of this agreement is 120 days commencing from the commencement date of the construction work as instructed by the supervisor of the construction project. The execution of this agreement is expected to improve the deicing efficiency and further ensure the safe operation of Beijing Capital Airport, thus driving the business development of the Company. For details of the relevant transactions, please refer to the Company's announcement on 24 March 2011.	The Parent Company is indirectly holding 56.651% equity interest of BACE.	RMB61,180,328 (the consideration of this transaction is subject to 10% upward adjustment according to the final assessment of the project to be carried out by the parties)
2	The Company and BACE entered into the Deicing Facility Construction Services Agreement on 23 December 2011, pursuant to which, BACE agreed to provide the Company with the construction services for the deicing apron on the south end of the central runway of Beijing Capital Airport, as well as other relevant facilities. The term of this Agreement is 90 days commencing from the commencement date of the construction work as instructed by the supervisor of the construction project. The execution of this agreement is expected to reconstruct the deicing apron on the south end of the central runway and other relevant facilities of Beijing Capital Airport, and improve the deicing efficiency of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement on 23 December 2011.	The Parent Company is indirectly holding 56.651% equity interest of BACE.	RMB74,986,987 (the consideration of this transaction is subject to 10% upward adjustment according to the final assessment of the project to be carried out by the parties)
3	The Company and Airport City Development Company Limited ("ACL") executed the Assets Compensation Agreement dated 23 December 2011, for the transfer of the Company's all above-ground structures, underground infrastructures, roads, and machines & equipment in the temporary warehouses, which are constructed on the land, to which ACL owns the use rights (scope of the land: runway of Beijing Capital Airport on the east, Beijing Capital Airport on the south, Beijing Capital Airport North Line on the west, and planned way leading to Beijing Capital Airport on the north). The income from the disposal of these assets will be used by the Company as operating fund to improve its cash flow. Also, the asset disposal will result in the optimum utilization of the Company's overall assets. For details of the relevant transactions, please refer to the Company's announcement on 23 December 2011.	The Parent Company is directly holding 45% equity interest of ACL.	RMB268,000,000

Saved as above disclosure, the information of continuing connected transactions and connected transactions of the Company is set out in Note 34(b) to the financial statements (except for the transactions with the jointly controlled entity of the Company).

DISCLOSURE OF INTERESTS

As at 31 December 2011, the total issued capital of the Company is 4,330,890,000 shares, comprising 1,879,364,000 H shares and 2,451,526,000 domestic shares.

As at 31 December 2011, the interests and long positions and short positions held by the following persons, other than directors or supervisors of the Company, as recorded in the register required to be kept by the Company under Section 336 of the Securities of Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") were as follows:

Name of substantial shareholder	Class of shares	Number of shares holding interest	Capacity	Percentage of Shareholding to the relevant class	Percentage to the total issued shares
Capital Airports Holding Company (note)	Domestic shares	2,451,526,000 (L)	Beneficial owner	100%	56.61%
Government of Singapore Investment Corporation Pte Ltd.	H shares	396,074,000 (L)	Investment Manager	21.07%	9.15%
Blackrock, Inc.	H shares	99,367,332(L)	Interest of corporation controlled by the substantial shareholder	5.28%	2.29%
		1,473,567(S)		0.07%	0.03%
JPMorgan Chase & Co.	H shares	94,926,591(L)	Interest of corporation controlled by the substantial shareholder	5.05%	2.19%
		1,416,000(S)		0.08%	0.03%
		87,742,281(P)		4.67%	2.03%

(L) = Long Position
(S) = Short Position
(P) = Lending Pool

Note:

Capital Airports Holding Company was incorporated in the PRC, and is the controlling shareholder of the Company.

Mr. Dong Zhiyi, an executive director and the Chairman of the Board, is the General Manager and Vice Secretary of Communist Party of Capital Airports Holding Company.

Mr. Chen Guoxing, a non-executive director of the Company, is the Deputy General Manager of Capital Airports Holding Company.

Mr. Gao Shiqing, a non-executive director of the Company, is the Deputy General Manager of Capital Airports Holding Company.

Mr. Yao Yabo, a non-executive director of the Company, is the Deputy General Manager of Capital Airports Holding Company.

Ms. Zhang Musheng, a non-executive director of the Company, is the Deputy General Manager of Capital Airports Holding Company.

INTERESTS OF DIRECTORS, SUPERVISORS AND THE GENERAL MANAGER IN THE SHARES OF THE COMPANY

As at 31 December 2011, none of the directors, supervisors or the general manager of the Company had any interests or short positions in any shares, any underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) recorded in the register of the Company required to be kept by the Company under section 352 of the SFO; or (b) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Listing Rules. During the year ended 31 December 2011, none of the directors, supervisors, or the general manager of the Company or their associates had been granted the right to subscribe for any equity or debentures of the Company, nor had any of them exercised such rights during the same period.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

During the year ended 31 December 2011, none of the directors or supervisors of the Company directly or indirectly had any material interests in any contracts of significance (as defined in the Listing Rules) or arrangements (other than service contracts/appointment letters) to which the Company was a party.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2011, none of the directors or supervisors of the Company had any interest in any business competing with the Company.

MATERIAL CONTRACTS

Save for those transactions described in the note headed "Related Party Transactions" in the Note 34 to the Financial Statements and the section headed "Connected Transactions" in the Report of the Directors above, there was no material contract:

(a) between the Company and its controlling shareholder (or any of its subsidiaries); or

(b) for the provision of services to the Company by its controlling shareholder (or any of its subsidiaries).

MANAGEMENT CONTRACTS

For the year ended 31 December 2011, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company (other than service contracts with any directors) were entered into or subsisted.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The details of emoluments of directors, supervisors and the five highest paid individuals during the financial year are set out in Note 27 to the Financial Statements.

MATERIAL LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the year ended on 31 December 2011.

PUBLIC FLOAT

As at 30 March 2012, the Board confirmed that 1,879,364,000 H shares, representing 43.39% of the entire issued share capital of the Company are held by the public, which is in compliance with the minimum requirement of public float under Rule 8.08 of the Listing Rules.

COMPLIANCE WITH "MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS"

The Company has adopted "the Code for Securities Transaction by Directors and Staff" to regulate the securities transaction by directors and staff. The Standard of the Code is no less exacting than the required standard of the Model Code for Securities Transactions by Directors of listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code").

Following specific enquiry made with the directors of the Company, the Company has confirmed that each of its directors has complied with the Model Code and the required standard set out in "the Code for Securities Transaction by Directors and Staff" drafted by the Company.

AUDITORS

For the three years ended 31 December 2008, 2009 and 2010, PricewaterhouseCoopers Zhong Tian CPAs Limited Company and PricewaterhouseCoopers were the Company's PRC and international auditor, respectively.

PricewaterhouseCoopers Zhong Tian CPAs Limited Company and PricewaterhouseCoopers were approved by way of a resolution passed at the AGM of the Company held on 15 June 2011, to act as the Company's PRC and international auditor, respectively, for the year 2011.

The Board will present the resolution for the re-appointment of PricewaterhouseCoopers Zhong Tian CPAs Limited Company and PricewaterhouseCoopers as the Company's PRC and international auditor, respectively, for the year 2012 at the forthcoming 2011 AGM.

PROFILE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 15 June 2011, the AGM of the Company considered and approved the election of the members of the fifth session of the Board of the Company, pursuant to which Mr.Dong Zhiyi and Mr. Zhang Guanghui were elected as executive directors of the Company, Mr. Chen Guoxing, Mr. Gao Shiqing, Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Lau Eng Boon and Mr. Yam Kum Weng were elected as non-executive directors of the Company, Mr. Japhet Sebastian Law, Mr. Wang Xiaolong, Mr. Liu Guibin and Mr. Jiang Ruiming were elected as independent non-executive directors of the Company, and the granting of the authorisation to the Board to determine their respective remuneration. The term of the fifth Board of Directors commenced from the conclusion of the 2010 AGM until the date of the 2013 AGM of the Company.

On 15 June 2011, the AGM of the Company considered and approved the election of the members of the fifth session of the Supervisory Committee with Mr. Liu Yanbin, Mr. Cui Youjun and Mr. Zhao Jinglu as the supervisor representing the shareholders, Ms. Li Xiaomei and Mr. Tang Hua as the supervisors representing the staff, Mr. Kwong Che Keung, Gordon and Mr. Dong Ansheng as external supervisors, and the granting of the authorisation to the Board to determine their respective remuneration. The term of the fifth session of the Supervisory Committee was effective from the conclusion of the 2010 AGM of the Company until the date of the 2013 AGM of the Company.

All executive directors of the Company have entered into director's service contract with the Company with a term expiring on the date of the 2013 AGM of the Company. All non-executive directors and supervisors of the Company have entered into letters of undertaking to perform the obligations of non-executive directors and supervisors, respectively, in accordance with the articles of association of the Company. Save as mentioned above, none of the directors or supervisors of the Company has entered or proposing to enter into a service contract with the Company. None of the directors or supervisors of the Company has a service contract with the Company which is terminated within one year without payment of compensation to the Company (other than statutory compensation).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The profile of directors, supervisors and senior management of the Company is as follows:

Executive Director

Mr. Dong Zhiyi, aged 49, was re-appointed as an executive director of the Company on 15 June 2011. He is a senior economist and has an Executive Master's degree of Business Administration from HEC Paris and PHD degree in Management from Huazhong University of Science and Technology. Mr. Dong has over 20 years of experience in airport and civil aviation management. From June 1996 to January 2001, he was the deputy chief officer of Inner Mongolia Municipality Bureau of the General Administration Civil Aviation of China (CAAC, the predecessor of the Civil Aviation Administration of the China). From January 2001 to December 2003, he was deputy party secretary and chief officer of Inner Mongolia Municipality Bureau of CAAC. From December 2003 to February 2006, he acted as the party secretary and general manager of Inner Mongolia Airport Group Company Limited. He has acted as the chairman of the board of directors of Inner Mongolia Airport Group Company Limited since February 2006. Mr. Dong was the deputy general manager of the Parent Company since July 2005 and was the general manager of the Parent Company since March 2010. From 1 February 2007 to 22 March 2010, Mr. Dong was the General Manager of the Company. On 16 March 2010, Mr. Dong was appointed as the Chairman of the Board of the Company. Mr. Dong also serve as a member of Airports ACI Global Council and secondary deputy chairman of ACI Asia-Pacific Regional Committee.

Mr. Zhang Guanghui, aged 58, was re-appointed as an executive director of the Company on 15 June 2011. He graduated from Radio Engineering department of Northern Jiaotong University, and obtained Master's degree of Law Theory of Party School of the Central Committee of C.P.C. Mr. Zhang has over 20 years of experience in civil aviation industry. From July 1974 to July 1988, Mr. Zhang was in service for China Civil Airport Designing Institute consecutively as technician, assistant engineer, engineer and the Deputy Director of communication office. From July 1988 to November 1991, Mr. Zhang worked as the Deputy Director of Navigation & Communication division of China Civil Airport Designing Academy. From November 1991 to January 2000, Mr. Zhang served as the Vice President of China Civil Airport Designing Academy, the Deputy General Manager of China Civil Aviation Airport Construction & Engineering Company in succession. From January 2000 to March 2003, Mr. Zhang Guanghui served as the Deputy Chief of Civil Airport Department of CAAC. From March 2003 to March 2010, Mr. Zhang Guanghui served as the Chief of Civil Airport Department of CAAC. Mr. Zhang was appointed as the General Manager of the Company on 22 March 2010 and was re-appointed as the General Manager of the Company on 15 June 2011.

Non-executive Directors

Mr. Chen Guoxing, aged 58, joined the Company since March 2003. He was further re-appointed as a non-executive director of the Company on 15 June 2011. He is a senior engineer, graduated from Tongji University. He has extensive experience in infrastructure constructions, especially in airport constructions. He had served as general commander for the construction of Terminal Three and relevant facilities at the Beijing Capital Airport, which played a positive role for the successful holding of the 29th Olympic Games in Beijing. From 1992 to 2002, Mr. Chen has served as the vice director of the Planning Committee of Jiangxi Province, the director of the Engineering Administration Section of Communications Department, Jiangxi Province, the general commander of the Command Office for Construction of Changbei Airport (which is located in Nanchang, Jiangxi Province, PRC), and subsequently the deputy mayor of Nanchang city. From March 2002, he has been the Deputy General Manager of the Parent Company.

Mr. Gao Shiqing, aged 51, joined the Company since June 2005. He was further re-appointed as a non-executive director on 15 June 2011. Mr. Gao graduated from Beijing University of Aeronautics & Astronautics with a master's degree in aviation engineering. From August 1983 to July 2004, Mr. Gao served as the deputy chief of Planning & Science Department and the Development & Finance Department in CAAC. From July 2004, he had been the assistant of general manager of the Parent Company, and has been the Deputy General Manager of the Parent Company from July 2005.

Mr. Yao Yabo, aged 49, was appointed as a non-executive director of the Company on 15 June 2011. He graduated from the Civil Engineering and Architecture Department of Hebei Polytechnic College majoring in civilian construction, and was awarded a Bachelor's degree. Mr. Yao obtained MBA degree from China Europe International Business School. He worked for China Civil Airport Designing Academy from July 1983 to January 1991 and served as senior staff of Human Resources and Labor Division of CAAC, deputy chief and chief of Infrastructure and Airport Division from January 1991 to September 1998. Mr. Yao served as deputy general manager of China Civil Aviation Engineering Consultancy Company from September 1998 to January 2000, and served as deputy general manager and general manager of China Airport Construction Corporation from January 2001 to September 2009. He has been deputy general manager of Capital Airports Holding Company and general manager of China Airport Construction Corporation since September 2009.

Mr. Zhang Musheng, aged 53, was appointed as a non-executive director of the Company on 15 June 2011. He holds Bachelor's degree in economic management from Party School of the Central Committee. He worked for Beijing Administrative Bureau of CAAC from November 1972 to May 1989, and served as deputy director of Publicity and Education Division, deputy chief and chief of Publicity Department of Beijing Capital International Airport from May 1989 to April 2000. Mr. Zhang was party secretary and deputy general manager of Construction Engineering Investment Company of Capital Airports Holding Company from April 2000 to June 2002, head of CCP working group of Capital Airports Holding Company from June 2002 to January 2003, deputy general manager, general manager, chairman and party secretary of Tianjin Binhai International Airport from January 2003 to December 2005, and assistant to general manager of Capital Airports Holding Company, chairman and Party secretary of Beijing Capital Airport Advertising Co., Limited from November 2007 to September 2009. Mr. Zhang has been deputy general manager of the Parent Company, and chairman and party secretary of Beijing Capital Airport Advertising Co., Limited since September 2009.

Mr. Lau Eng Boon, aged 51, was appointed as a non-executive director of the Company on 15 June 2011. He is a Senior Vice President, Senior Portfolio Specialist of the Government Investment Corporation of Singapore (GIC). He has the responsibilities to manage GIC's portfolio in the Transportation, Business Services and Technology/Media/Telecoms sectors. Before joining GIC, Eng Boon was the Chairman & President of TELUS International (listed on the Toronto Stock Exchange), the international business of TELUS Communications, the 2nd largest Telecommunications company in Canada. Mr. Lau has also worked as the General Manager of Avanade Asia and Cap Gemini. Mr. Lau was the vice-president of Operations and Six Sigma at Honeywell. He has extensive board experience, including chairmanship of boards of all TELUS International group companies in US, UK, Singapore, Hong Kong, Korea, the Philippines and LatAm. He also served on the boards of Singapore Stock Exchange listed United Papers and Pulp (listed on the Singapore Stock Exchange), and Indonesia Stock Exchange Listed Matahari Departmental Stores (listed on the Indonesia Stock Exchange). Mr. Lau has a Bachelor of Engineering at Kobe University, Japan, and a MBA at National University of Singapore.

Mr. Yam Kum Weng, aged 47, was further re-appointed as a non-executive director of the Company on 15 June 2011. He graduated from the National University of Singapore with a Bachelor of Science Degree(Honours) in 1990. He has a Master's Degree in Business Administration from the Nanyang Technological University of Singapore. He started his career with the Civil Aviation Authority of Singapore in 1990 and has accumulated 20 years of experience in various management roles ranging from airport commercial development, airport management, aviation policy formulation, air traffic rights negotiations to air hub development. Mr. Yam held various leadership roles in the Civil Aviation Authority of Singapore. As Director (Airport Management) from 1999 to 2004, he led his team to win numerous world's best airport awards for Changi Airport. From October 2006 to April 2008, he was the Senior Director of the Changi Airport team, responsible for operating Abu Dhabi International Airport. Mr. Yam was Senior Director in-charge of air hub development of Changi Airport from June 2007 to June 2009, overseeing the marketing of Changi Airport to airlines, cargo companies and passengers. At the same time, he also served as leader of the Singapore delegation in bilateral air services negotiations. Following the corporatisation of Changi Airport in July 2009, Mr. Yam was appointed as Executive Vice President (Air Hub Development) of the Changi Airport Group (Singapore). Mr. Yam was awarded the Public Service Medal (Silver) by the President of the Republic of Singapore in 2003. He has been a non-executive director of the Company since June 2009.

Independent Non-executive Directors

Mr. Japhet Sebastian Law, aged 60 was further re-appointed as an independent non-executive director of the Company on 15 June 2011. Mr. Law graduated from the University of Texas at Austin with Ph.D. in Mechanical/ Industrial Engineering in 1976. He joined the Chinese University of Hong Kong in 1986 and is currently a Professor in the Department of Decision Sciences and Managerial Economics. He was the Associate Dean and subsequently the Dean of the Faculty of Business Administration of the Chinese University of Hong Kong from 1993 until 2002. Prior to returning to Hong Kong, Mr. Law was the Director of Operations Research at the Cullen College of Engineering and Director of Graduate Studies in Industrial Engineering at the University of Houston, and was also involved with the U. S. Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. Mr. Law has acted as consultants with various corporations in Hong Kong and overseas. He is also active in public services, having served as Member of the Provisional Regional Council of the Hong Kong SAR Government and varies other committees, and is also active on the boards of profit, non-profit, and charitable organizations in Hong Kong and overseas. From July 2003 to February 2006 and from 1 September 2008 till now, Mr. Law served as an independent non-executive director of Global Digital Creations Holdings Limited. From June 2005 till 30 September 2008, Mr. Law is serving as an independent non-executive director of International Financial Network Holdings Limited. From September 2005, he is serving as an independent non-executive director of Tianjin Port Development Holdings Limited. From 23 March 2008, he is also serving as an independent non-executive director of BinHai Investment Company Limited (Formerly "Wah Sang Gas Holdings Limited"). From 29 December 2011, he is also serving as an independent non-executive director of Ever Fortune International Holdings Limited (listed on the Hong Kong Stock Exchange). Mr. Law was appointed as an independent non-executive director of the Company on 12 June 2008.

Mr. Wang Xiaolong, aged 57, was further re-appointed as an independent non-executive director of the Company on 15 June 2011. He graduated from School of Economics of Peking University with Ph.D. degree. From December 1985 to April 1990, Mr. Wang served as the office director and department director of the Research Institute of China's Economic Reforms in the National Committee of China's Economic Reforms. From April 1990 to March 1994, Mr. Wang served as the deputy director and standing deputy director of Beijing New Technology Industrial Development Zone. From April 1994 to 1997, Mr. Wang served as the deputy general manager and director of Hong Kong Jing Tai Industrial Corporation. From May 1997 to June 1998, Mr. Wang served as the executive director and vice-president of Hong Kong Beijing Holding Ltd.. From June 1998 till now, Mr. Wang served as the deputy chairman of the board and general manager of Beijing International Trust and Investment Co., Ltd.. Mr. Wang was appointed as an independent non-executive director of the Company on 12 June 2008.

Mr. Jiang Ruiming, aged 46, was appointed as an independent non-executive director of the Company on 15 June 2011. He graduated from Department of Law of Peking University with a Bachelor's degree. He obtained a MBA degree from Tsinghua SEM. Mr. Jiang had been executive chief editor of China Food Industry Magazine, partner of Beijing Guofang Law Firm, and a member of 10th and 11th Issuance Examination Commission of CSRC. He is currently executive partner of Beijing Guofeng Law Firm, independent director of Shenke Slide Bearing Corporation, Lan-Tian Environmental Engineering Co., Ltd., Wuxi Shangji Grinding Machine Co., Ltd.

Mr. Liu Guibin, aged 45, was appointed as an independent non-executive director of the Company on 15 June 2011. He graduated from Zhongnan University of Economics and Law in 1989, is a Certified Public Accountant and one of the first group of senior members (practicing) of CICPA. Mr. Liu is chairman, senior partner and legal representative of RSM China Certified Public Accountants Co., Ltd., in charge of technical research and support, internal training, risk quality control and operation instruction of major projects of the firm. Mr. Liu has served as a CPA for over 20 years and has extensive experience and theoretical knowledge. He is an expert in financial audit and consultancy. Meanwhile, Mr. Liu has accumulated abundant experience in restructuring and listing of enterprises and has profound research and unique point of view in restructuring and listing of enterprises as well as finance and securities. He also serves as a member of Professional Ethics Committee of CICPA and member of Beijing Institute of Certified Public Accountants.

Members of the Supervisory Committee

Mr. Liu Yanbin, aged 57, was appointed as a supervisor of the Company on 15 June 2011, he holds Master's degree in economic management from Party School of the Central Committee. Mr. Liu served as secretary, deputy chief and chief of secretary department of CAAC office, office director, deputy director and director of execution department of CAAC from April 1984 to October 2008, and as deputy party secretary of Capital Airports Holding Company and party secretary of Beijing Capital International Airport Co., Ltd. from October 2008 to March 2010. He has been the party secretary of the Parent Company since March 2010.

Mr. Cui Youjun, aged 55, was appointed as a supervisor of the Company on 15 June 2011, he graduated from History Department of Peking University with Bachelor's degree in Chinese history. Mr. Cui was a clerk and chief of human resources department, deputy director of supervision office, and deputy secretary of discipline committee of China National Overseas Trading Corporation from July 1993 to April 1997, and inspector (deputy director level and director level) and chief of Case Inspection Office of Discipline Committee (Inspection Bureau) of CAAC from April 1997 to July 2005. Mr. Cui has been deputy party secretary, leader of discipline inspection team and chairman of labor union of the Parent Company Since July 2005.

Ms. Zhao Jinglu, aged 41, was appointed as a supervisor of the Company on 15 June 2011, she graduated from the accounting school of Nankai University with a bachelor's degree in auditing, and holds a MBA of Beijing Jiaotong University. From July 1992 to February 1995, Ms. Zhao served in the First Academe of CAAC and in the Auditing Bureau of CAAC. From February 1995 to April 2003, Ms. Zhao served in the Finance Department of CAAC, among this, from April 2001 to April 2003, Ms. Zhao served as the Deputy Director of Economy Adjustment Division of Accounting Department of CAAC; from April 2003 to September 2004, Ms. Zhao served as the Deputy Director of the Finance and Economy Division of Planning, Development and Accounting Department of CAAC; from September 2004 to November 2006, Ms. Zhao was served as the Director of Finance and Economy Division of the Planning, Development and Accounting Department of CAAC; From November 2006 to June 2007, Ms. Zhao served as the Director of Finance and Economy Division of the Accounting Department of CAAC. Since June 2007, Ms. Zhao has been the chief accountant and the manager of the Finance Department of the Parent Company. From December 2006 to June 2011, Ms. Zhao was appointed as a non-executive director of the Company.

Ms. Li Xiaomei, aged 53, was re-appointed as a supervisor of the Company on 15 June 2011. Ms. Li is an economist, and graduated from Cheung Kong Graduate School of Business with a degree of Executive Master of Business Administration (EMBA). She has over 20 year of experience in labour economics and human resources. From 1994 to 2000, she was the deputy director of the Beijing Capital International Airport's human resources division and the human resources manager of the Company from January 2000 to January 2003. Since January 2003, she has been the vice party secretary, the general secretary of the disciplinary committee and chairman of labor union of the Company. Ms. Li has been the party secretary of the Company since March 2010. Ms. Li also serves as vice Chairman of Human Resources Committee of ACI (Asian-Pacific Region). Mr. Li was appointed as a supervisor of the Company on March 2003.

Mr. Tang Hua, aged 33, was re-appointed as a supervisor of the Company on 15 June 2011. Mr. Tang graduated from Nanjing University of Aeronautics and Astronautics with a bachelor's degree in 2001. Mr. Tang served as the controller of the airfield branch of the operation management department of the Company in August 2001; the controller of the resource management centre of the operation management department of the Company in November 2001; the party assistant of the operation management department of the Company in October 2002; the party assistant and the secretary for the Communist Youth League of the operation department of the Company in July 2003; the manager of the union under the department of CCP working group in June 2005; and the manager of Customer Service Center of the Company in October 2007. Mr. Tang has been a manager of Operation Plan of the Company since April 2008. In October 2011, Mr. Tang was appointed as deputy manager of Terminals Area Monitor and Control Center of the Company. Mr. Tang was appointed as a supervisor of the Company on March 2007.

Mr. Kwong Che Keung, Gordon aged 62, was appointed as a supervisor of the Company on 15 June 2011, Mr. Kwong was independent non-executive director of the Company since October 1999. Mr. Kwong is also the independent non-executive director of a number of companies listed on the Stock Exchange, namely Cosco International Holdings Limited, NWS Holdings Limited, OP Financial Investments Limited (Formerly known as Concepta Investments Ltd.), China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Quam Limited, CITIC Telecom International Holdings Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, and Agile Property Holdings Limited. He has a Bachelor of Social Science degree from the University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants. From 1984 to 1998, Mr. Kwong was a partner of the Pricewaterhouse and was an independent member of the Council of the Hong Kong Stock Exchange from 1992 to 1997, during which, he had acted as convener of both the compliance committee and the listing committee. Mr. Kwong served as independent non-executive director of Ping An Insurance (Group) Company of China, China Oilfield Services Limited and Frasers Property (China) Limited in the past three years.

Mr. Dong Ansheng, aged 60, was appointed as a supervisor of the Company on 15 June 2011. Mr. Dong joined the Company since December 2007 and appointed as an independent non-executive director from December 2007 to June 2011. Mr. Dong graduated from the Law School of Renmin University of China with J.D. degree. Mr. Dong is a professor and PHD Supervisor of the School of Laws of Renmin University of China, and serves as the deputy director of Research Center of Civil and Commercial Law of the Renmin University of China. Mr. Dong currently serves as deputy master of China Securities Law Society and directorates in several Law Societies. Mr. Dong also participates in the legislation of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other related rules and regulations on governing securities. Since 1992, Mr.Dong has long term studies on the companies' laws and securities laws. He had served as PRC legal advisor on the issue of shares, merger and acquisition and other listing matters of more than 40 listed A shares companies, several listed B shares companies and listed H companies and other listed companies in Hong Kong. Mr. Dong is also serving as the independent non-executive director of Beijing Wangfujing Department Store Co., Ltd. (Group) (listed on the Shanghai Stock Exchange), BOE Technology Group Co., Ltd. (listed on the Shanghai Stock Exchange), Sichuan Western Resources Holding Co., Ltd. (listed on the Shanghai Stock Exchange) and Dynamic Global Holdings Limited (listed on the main board of the Hong Kong Stock Exchange).

Save and except for the directorships and supervisorships in the Company, and save and except for the non-executive directorship of Mr. Lau Eng Boon in a listed company, and the independent non-executive directorship of Mr. Japhet Sebastian Law and Mr. Jiang Ruiming in several other listed companies, and the Supervisors Mr. Kwong Che Keung and Mr. Dong Ansheng in serveral other Listed Companies, none of the directors or the supervisors of the Company above held any directorship in any other listed public companies for the last three years.

Save and except for the relationships as stated above, none of the directors or the supervisors of the Company has any relationship with other directors, senior management, substantial shareholder or controlling shareholder of the Company, nor has any interest in the shares of the Company within the meaning of Part XV of the SFO.

Other Senior Management

Ms. Gao Lijia, aged 47, was re-appointed as the executive Deputy General Manager of the Company on 15 June 2011. Ms. Gao is a senior engineer, graduated from the Computer Science Department, Beijing University of Aeronautics and Astronautics (BUAA) with a master's degree of engineering. She also has the master's degree of Business Administration from China Europe International Business School. From January 1989 to May 1995, Ms. Gao served at BUAA as deputy director and associate professor of the electronic engineering department. From May 1995 to June 1997, she worked in the electronic communication technology industry. From June 1997 to October 1999, Ms. Gao has been working as manager of Computer Division of Technological Equipment Department and then deputy director of Computer Centre of the Company. From October 1999 to October 2001, Ms. Gao served as the manager of the IT department of the Company. From October 2001 to February 2004, she became the manager of the Planning and Development Department of the Company. Since February 2004, she has been a Deputy General Manager of the Company. Ms Gao also serves as a member of Environment Standing Committee and Airport Information Technology Standing Committee of ACI.

Mr. Zhang Bing, aged 59, was re-appointed as the Deputy General Manager of the Company on 15 June 2011. Mr. Zhang has acted as the director of convoy center of the Company, the director of aviation safety and security division of the Company, the assistant to the general manager of the Company and the general security supervisor of the Company consecutively. He has over 20 years of experience in safety and security of airport operation.

Mr. Liu Zengyu, aged 39, a senior engineer, Mr. Liu holds the bachelor's degree in highway and city road from the Road Engineering Department of Chongqing Jiaotong College, and MBA degree from City University of Hong Kong. From July 1995 to August 2000 he served as member and deputy chief of the Airport Service Section under the Airport Management Department of the Company; deputy supervisor, supervisor and party secretary of the Airport Service Team of the Company, and working for two years' in assistance to Tibet at Gonggar Airport under Tibet Bureau, CAAC from August 2000 to August 2002; from January 2002 to December 2005 he served as vice manager of the Airport Management Division of the Company; manager of the Flying Area Assurance Sub-division under the Property Management Division; manager of the Flying Area Assurance Sub-division under the Operation Management Division; party secretary and responsible person of the Flying Area Management Division of the Company; from January 2006 to November 2007 he served as director, general manager, and deputy party secretary of Jiangxi Airports Group Company, and from December 2007 to June 2009, he was the chairman, general manager, deputy party secretary of BCIA Property Management Co., Ltd.. From June 2009 to March 2012, he served as the general manager and deputy party secretary of Guizhou Airports Group Company. On 30 March 2012, Mr. Liu was appointed as deputy general manager of the Company.

Mr. Zhang Wei, aged 46, an engineer, Mr. Zhang holds the bachelor's degree in environmental monitoring from the Environment & Chemistry Department of Beijing University of Technology, and the master's degree in agriculture extension from Beijing Forestry University. Mr. Zhang served as assistant and league secretary of the Environmental Protection & Greening Section under the Airport Management Department of the Company; chief of the Environmental Protection & Greening Section; supervisor of the Greening Team under the Airport Management Department; vice manager of the Airport Management Division of the Company; manager of the Administrative Management Division from July 1988 to June 2003; and as general manager, chairman and party secretary of Beijing Capital Airport Food Management Company Limited from June 2003 to January 2009; as deputy party secretary, discipline secretary and trade union president of Chongqing Airports Group Company from June 2009 to March 2012 and during the period from June 2010 to March 2012, he has served as the vice general manager and deputy party secretary of Chongqing Airports Group Company. On 30 March 2012, Mr. Zhang was appointed as deputy general manager of the Company.

Mr. Du Qiang, aged 42, Mr. Du holds the master's degree from the University of International Business and Economics. He served in a broad range of positions: assistant at the deputy chief level of the Transportation Services Department of Inner Mongolia Bureau, Civil Aviation Administration of China; chief of the Transportation Section; assistant, vice manager and manager of the Transportation Services Department, and chief of the Marketing Section; and vice general manager of Inner Mongolia Airports Group Company. From January 2009 to July 2011, he served as director and general manager of Beijing Aviation Ground Services Company Limited. Since July 2011, he has served as director of operations of the Company.

Mr. Zuo Xu, aged 48, graduated from South China Institute of Tropical Crops. Mr. Zuo also holds the MBA degree from the City University of Hong Kong. From July 1986 to October 1988, he worked for the Construction Section of Beijing Bureau, Civil Aviation Administration of China, as a technician; from October 1988 to October 1999, he worked for the Company's Aircraft Management Department as deputy supervisor and supervisor. From October 1999 to October 2005, he worked for the Company's Property Management Division as manager. From October 2005 to January 2009, he worked for the Procurement Center of Capital Airports Holding Limited as general manager. Since January 2009, he has served as director of technology of the Company.

Mr. Liu Renjie, aged 50, holds the master's degree in management science and engineering from Harbin University of Science and Technology. From October 1993 to December 2003, he worked for Heilongjiang Bureau, Civil Aviation Administration of China in a range of positions: member at the deputy head level of the Communications Section under the Political Department; deputy director and director of the Organization Department of the Party Committee; party secretary of Security Inspection Department; party secretary of the On-site Command Center; secretary of the Discipline Inspection Commission. From December 2003 to May 2010, he worked for Heilongjiang Airports Management Group Co., Ltd. as vice general manager and party committee member. Since May 2010, he has served as the director of operations of the Company.

Mr. Wen Wu, aged 36, graduated from Civil Aviation Flight University of China with a degree in air control. Mr. Wen also holds EMBA degree from the City University of Hong Kong. From 1998 to January 2006, he worked for the Company in a variety of positions: commander of the External Command Center, Operation Management Division; head of the Operation Monitoring & Command Center, Operation Management Division; manager of the Operation Monitoring & Command Center, Operation Management Division; and responsible person of the Operation Monitoring & Command Center. From January 2006 to January 2010, he worked as the manager of the Operation Monitoring & Command Center. In January 2010, he was appointed the director of operations of the Company.

Ms. Hao Ling, aged 38, graduated from Renmin University of China with the bachelor's degree in history. From August 1996 to June 2009, she worked for the Company in a variety of positions: vice manager of the Terminal Area Sub-division under the Operation Management Division; assistant manager of Terminal Building West Area Management Department; manager of the Party-Masses Work Department; and party secretary and vice manager of the Terminal Building East Area Management Department. From June 2009 to January 2010, she worked as the manager of BCIA Quality & Security Department. In January 2010, she was appointed the director of services of the Company.

Mr. Ma Yin, aged 38, graduated from the Automation Department of Shanghai Jiaotong University with the bachelor's degree in engineering. Mr. Ma also holds the master's degree in traffic engineering from the Civil Aviation University of China. From August 1996 to October 1999, he worked as assistant engineer of Emergency Rescue & Command Office of the Company, and deputy director of the Terminal Area Monitoring & Command Center of the Company. From October 1999 to March 2007, he worked for the Company in a range of positions: deputy director of the Terminal Area Monitoring & Command Center under the Operation Management Division; director of the Integrated Services Office; supervisor of aviation affairs; vice manager of the Business Sub-division, Operation Management Division; vice manager of the Operation Monitoring & Command Center; assistant to the manager of the Property Management Division; and manager of the Technical Procurement Division. Since March 2007, he has worked as the manager of Terminal Building West Area Management Division of the Company. In May 2010, he was appointed as director of business of the Company.

Mr. Zhu Wenxin, aged 38, graduated from the College of Automation, Beijing Union University, with a bachelor's degree in engineering. Mr. Zhu also holds the MBA degree from the City University of Hong Kong. From 1997 to 2000, he served as supervisor of Shipping Department and Personnel Administration Department of BGS. From 2000 to 2007, he served as office supervisor of the Company, vice manager of the domestic stores of BACT, manager of the Terminal Building Sub-division of the Company, Manager of the Management Division of the Terminal one and manager of the Quality & Security Division of the Company. From 2008 to 2010, he served as manager of the Public Area Management Department of the Company. In May 2010, he was appointed as director of business of the Company.

Mr. Kong Yue, aged 45, holds the MBA degree from Guanghua School of Management, Peking University. From July 1988 to December 2000, he worked as chief of International Office of the Company. From December 2000 to January 2008, he served as assistant to the manager of Planning & Development Division of the Company; manager of the Business Sub-division of the Company, Operation Management Division of the Company; manager of the Operation Management Division of the Company; manager of the Aviation Business Division of the Company; manager of the Marketing Division of the Company; and manager of the Planning & Development Division of the Company. In January 2010, he was appointed as director of Commerce of the Company.

Mr. Shu Yong, aged 39, was re-appointed as the secretary of the Board of the Company on 15 June 2011. He graduated from the Law Department of Peking University with a bachelor degree in laws with double majors in economic laws and international economic laws. He also obtained the Executive Master of Business Administration degree (EMBA) from Faculty of Business of the City University of Hong Kong. He worked in the planning and operating division and then the corporate office of the Beijing Capital International Airport from August 1996 to October 1999. From October 1999 to January 2003, he was the legal affairs manager of the securities department and subsequently the manager of the Secretariat to the Board. From May 2003 to May 2004, Mr. Shu was the manager assistant and acted as the manager of Planning and Development Department of the Company from May 2004 to April 2006. He has been the secretary of the Board since January 2003.

By order of the Board
Dong Zhiyi
Chairman

Beijing, the PRC, 30 March 2012

Management Discussion and Analysis

OVERVIEW OF THE REVENUES

In 2011, the total revenues of the Company from its principal business were RMB6,500,216,000, representing an increase of 12.5% over the previous year, among which, the aeronautical revenues were RMB3,806,307,000, representing an increase of 6.9% over the previous year, and the non-aeronautical revenues were RMB2,693,909,000, representing an increase of 21.6% over the previous year. The non-aeronautical revenues accounted for 41.4% of the total revenues from the principal business of the Company, representing a slight increase over the previous year (i.e. 38.4%, in 2010).

AVIATION BUSINESS OVERVIEW

In 2011, due to the combined effect of the marco-economic growth and the on-line marketing activities of air routes carried out by the Company actively, the air traffic flow in the Beijing Capital Airport maintained a sustained and stable growth. The cumulative aircraft movements reached 533,257 sorties, representing an increase of 3.0% over the previous year. The cumulative passenger throughput reached 78,675,058 person-times, representing an increase of 6.4% over the previous year. The cumulative cargo and mail throughput reached 1,640,247 tonnes, representing an increase 5.7% over the previous year. The details are as follows:

	2011	2010	Change (%)
Aircraft Movements *(unit: sorties)*	**533,257**	517,584	3.0%
including: Domestic	**419,015**	410,715	2.0%
International, Hong Kong, Macau & Taiwan	**114,242**	106,869	6.9%
Passenger Throughput* *(unit: person-times)*	**78,675,058**	73,948,113	6.4%
including: Domestic	**61,084,488**	56,718,231	7.7%
International, Hong Kong, Macau & Taiwan	**17,590,570**	17,229,882	2.1%
Cargo and Mail Throughput *(unit: tonnes)*	**1,640,247**	1,551,471	5.7%
including: Domestic	**926,681**	888,179	4.3%
International, Hong Kong, Macau & Taiwan	**713,566**	663,292	7.6%

* According to the statistics rules of Civil Aviation Administration of China (the "CAAC"), adjustment was made to the passenger throughput data of the Beijing Capital Airport for 2011, as the standard for distinguishing international (excluding regional) passengers from domestic passengers shifted from routes to segment. After adjustment of the international and domestic passenger throughput for 2010 pursuant to the new rules, the increase rates of international (including regional) and domestic passenger throughput for 2011 were 9.47% and 5.58%, respectively. Save otherwise stated, the segment-based statistics rules will be adopted in the future.

AERONAUTICAL REVENUES

In 2011, the Company further enriched its air route network, adding 9 airlines in total, restoring the flights of 3 airlines and setting 10 new international destinations. Meanwhile, it continued to actively promote the capacity expansion for flight schedule, increasing the upper limit of scheduled flights in rush hour from 83 sorties to 88 sorties.

In 2011, the aeronautical revenues of the Company were RMB3,806,307,000 in total, representing an increase of 6.9% over the previous year. Among this, the revenue from passenger charges was RMB1,526,025,000, representing an increase of 6.6% over the previous year; the revenue from airport fee was RMB1,001,936,000, representing an increase of 6.7% over the previous year; and the revenue from aircraft movement fees and related charges was RMB1,278,346,000, representing an increase of 7.5% over the previous year. The increase of the revenues from passenger charges and airport fee was at similar magnitude with the increase of passenger throughput, while the magnitude of increase of the revenue from aircraft movement fees and related charges was greater than that of aircraft movements. It is mainly because international air routes increased more rapidly, and the aircraft movement fees and relevant charges for international air routes were higher than that of domestic routes according to the related scheme for civil airports charges. The details are as follows:

	2011	2010	Change
	RMB'000	*RMB'000*	*(%)*
Passenger charges	**1,526,025**	1,432,213	6.6%
Aircraft movement fees and related charges	**1,278,346**	1,189,687	7.5%
Airport fee	**1,001,936**	939,335	6.7%
Total aeronautical revenues	**3,806,307**	3,561,235	6.9%

NON-AERONAUTICAL REVENUES

In 2011, the non-aeronautical business revenues of the Company were RMB2,693,909,000, representing an increase of 21.6% over the previous year. In 2011, the concession revenues of the Company were RMB1,853,049,000, representing an increase of 32.7% over the previous year. Concession revenues mainly include those from the businesses of advertising, retailing, restaurants and food shops and ground handling services, among which, the concession revenues from advertising were RMB707,511,000, representing an increase of 14.0% over the previous year, mainly because the Company set up new advertisement resources in 2011. The concession revenues from retailing were RMB761,492,000, representing an increase of 29.6% over the previous year, mainly because the Company increased the arrival duty-free areas of the Terminal 3 at the end of 2010, relevant sales rose on a year-on-year basis and passenger throughput went up. The concession revenues from restaurants and food shops were RMB107,459,000, representing an increase of 10.2% over the previous year, mainly because the passenger throughput went up and the Company introduced a series of high-quality restaurants, thus raising the average catering sales. The concession revenues from ground handling services were RMB224,622,000, representing an increase of 415.9% over the previous year, mainly because in 2011, through efforts and active negotiations by the management, the Company finally reached consensus with airlines companies engaged in relevant businesses in charging concession fees for undertaking ground handling services in Beijing Capital Airport in the past two years and recognised revenue correspondingly. Other concession revenues were RMB51,965,000, representing an increase of 9.2% over the previous year, mainly because the Company added wireless internet access services for passengers and other concession projects in 2011.

In 2011, the rental revenues of the Company were RMB764,608,000, representing an increase of 2.0% over the previous year, mainly due to the increase in the rental price.

In 2011, the car parking service fee of the Company was RMB48,415,000, representing an increase of 19.6% over the previous year, mainly because the rise of passenger throughput drove the parking flow and long-term parking load to increase in 2011.

In 2011, the management service fee of the Company was RMB20,512,000, mainly including the management fees charged for managing the traffic control center and the information system entrusted by the Parent Company.

In 2011, the Company's other revenues were RMB7,325,000, mainly including the revenues from provision of certificate handling services in terminals.

The details of non-aeronautical revenues are as follows:

	2011	2010	Change
	RMB'000	*RMB'000*	*(%)*
Concessions	**1,853,049**	1,396,782	32.7%
Including: Advertising	**707,511**	620,606	14.0%
Retailing	**761,492**	587,550	29.6%
Restaurants and food shops	**107,459**	97,495	10.2%
Ground handling	**224,622**	43,541	415.9%
Others	**51,965**	47,590	9.2%
Rentals	**764,608**	749,728	2.0%
Car parking fee	**48,415**	40,469	19.6%
Management service fee	**20,512**	20,140	1.8%
Others	**7,325**	8,377	–12.6%
Total non-aeronautical revenues	**2,693,909**	2,215,496	21.6%

OPERATING EXPENSES

	2011	2010	Change
	RMB'000	*RMB'000*	*(%)*
Depreciation and amortisation	**1,506,589**	1,509,655	–0.2%
Utilities and power	**536,398**	548,336	–2.2%
Repair and maintenance	**520,709**	546,240	–4.7%
Staff costs	**391,557**	322,857	21.3%
Aviation safety and security guard costs	**353,998**	354,687	–0.2%
Operating contracted services	**200,101**	209,894	–4.7%
Greening and environmental maintenance	**189,710**	209,805	–9.6%
Real estate and other taxes	**152,004**	146,024	4.1%
Rental expenses	**101,430**	97,711	3.8%
Other costs	**202,699**	172,049	17.8%
Total operating expenses	**4,155,195**	4,117,258	0.9%

In 2011, the total operating expenses of the Company were RMB4,155,195,000, representing a slight increase of 0.9% over the previous year.

In 2011, the depreciation and amortization expenses of the Company were RMB1,506,589,000, representing no remarkable change as compared with the previous year.

In 2011, the costs of utilities and power of the Company were RMB536,398,000, representing a decrease of 2.2% over the previous year, mainly because since 2011, the Company has adopted the energy custody method, set the upper limit of energy costs, determined energy service standards and jointly improved the energy management level with energy suppliers, thus reducing energy consumption and effectively controlling relevant expenses.

In 2011, the repair and maintenance expenses of the Company were RMB520,709,000, representing a decrease of 4.7% over the previous year, mainly because the maintenance expenses for production equipment and system and repair and maintenance expenses for buildings reduced on a year-on-year basis.

In 2011, the staff costs of the Company were RMB391,557,000, representing an increase of 21.3% over the previous year, as a result of the increase of social average wage during the reporting period, the corresponding adjustment of the employees' salary by the Company, the corresponding increase in employees' salaries based on performance resulting from the improvement in the financial results of the Company.

In 2011, the aviation safety and security guard expenses of the Company were RMB353,998,000, representing no remarkable change as compared with the previous year.

In 2011, the operating contracted services expenses of the Company were RMB200,101,000, representing a decrease of 4.7% over the previous year, mainly because the Company further controlled relevant service expenses.

In 2011, the greening and environmental maintenance expenses of the Company were RMB189,710,000, representing a decrease of 9.6% over the previous year, mainly because the Company adopted measures to control relevant expenses.

In 2011, the real estate and other taxes of the Company were RMB152,004,000, representing an increase of 4.1% over the previous year. It is mainly because the Company has included the land premium in the original value of the real property for paying the real estate tax since 1 January 2011, according to the related regulations of the government, thus increasing the real estate tax.

In 2011, the rental expenses of the Company were RMB101,430,000, representing an increase of 3.8% over the previous year.

In 2011, other costs of the Company were RMB202,699,000, representing an increase of 17.8% over the previous year. It is mainly because since July 2011, aircraft movement fees collected from domestic airlines have been settled through CAAC Clearing Center (an organization responsible for the collection and clearing of civil aviation government funds, various administrative fees and air traffic control fees, subordinate to the CAAC and the Company entrusts the center to settle relevant aircraft movement fees by paying certain amount of fees, which can ensure relevant funds can be collected in time), and the Company paid service charges for that.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

In 2011, the other income of the Company was RMB12,881,000, representing an increase of 3400% as compared with the previous year, which mainly resulted from the government subsidies received by the Company in 2011.

In 2011, the net finance costs of the Company were RMB589,400,000, representing a decrease of 6.4% as compared with the previous year.

In 2011, the income tax expense of the Company was RMB371,603,000, representing an increase of 87.8% as compared with the previous year.

PROFIT FOR THE YEAR

For the financial year ended 31 December 2011, the profit of the Company for the year amounted to RMB1,113,993,000, representing an increase of 87.2% as compared with the previous year.

AIRPORT CONSTRUCTION FEE

On 5 January 2011, the Company received the notice relating to the policy on Airport Fee (Ju Fa Ming Dian [2011] no. 17) (the "Notice") issued by CAAC. Pursuant to the Notice, the policy of the subsidy arrangements on the Airport Fee as the revenues of the Company shall be retained for the period from 1 January 2011 to 31 December 2015. Based on management's best estimation, the Company calculated its Airport Fee revenue amounting to RMB1,001,936,000 for current year at the rate of 48% of total amount collected from outbound passengers, which was as same as that of previous years. As at 31 December 2011, the Company had fully collected from CAAC the Airport Fee for current year as above.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Company's businesses are principally denominated in RMB, except for part of the non-aeronautical revenues, purchases of certain equipment, goods and materials, payment of consulting fees and part of the loans from the Parent Company which are paid in United States dollars ("US dollars" or "USD"). Dividends distributed to the shareholders of H Shares are declared in RMB and payable in HK dollars.

According to the overall plan of the acquisition of the Phase III Assets, the Company assumed the US dollar-denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 31 December 2011. Therefore, the fluctuation of RMB exchange rate against the US dollar will affect the financial results of the Company.

As at 31 December 2011, the assets and liabilities of the Company denominated in USD included cash and cash equivalents of approximately RMB59,320,000 (2010: RMB33,747,000), accounts receivables and other receivables of approximately RMB17,587,000 (2010: RMB31,859,000), accounts payables and other payables of approximately RMB598,000 (2010: RMB132,000), and loans from the Parent Company of approximately RMB2,570,116,000 (2010: RMB2,779,401,000). During the year of 2011, the Company recorded an exchange gain of RMB129,011,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the long-term and current portion of the loans from the Parent Company of the Company is RMB4,570,116,000, which includes the loans from the European Investment Bank which was assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4% and the corporate bonds of the Parent Company at an interest rate with reference to published interbank repo rate announced by China Foreign Exchange Trading Centre and National Interbank Funding Centre. As such, any change in LIBOR and rates of People's Bank of China will affect the interest expenses and financial results of the Company.

CONTINGENT LIABILITIES

As at 31 December 2011, the Company had no significant contingent liabilities.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's net cash generated from operating activities in 2011 amounted to RMB2,842,843,000, representing a decrease of RMB851,854,000 as compared with RMB3,694,697,000 for the year of 2010. Net cash outflow from investing activities in 2011 amounted to RMB395,287,000, among which the cash payment made for the purchase of bulidings, plants and equipment amounting to RMB346,562,000. In 2011, the Company's net cash outflow from financing activities amounted to RMB2,377,012,000.

As at 31 December 2011, the Company had total cash and cash equivalents amounting to RMB948,542,000, while the cash and cash equivalents of the Company amounted to RMB882,185,000 as at 31 December 2010.

As at 31 December 2011, the Company's long-term bank borrowings were RMB7,500,000,000, and loans from the Parent Company were RMB4,570,116,000.

As at 31 December 2011, the current ratio of the Company was 0.94, and that as at 31 December 2010, the current ratio of the Company was 0.71. Such ratios were computed by dividing the amount of the total current assets by the amount of the total current liabilities as at those respective dates.

As at 31 December 2011, the liability-to-asset ratio of the Company was 57.31%, and that as at 31 December 2010, the liability to asset ratio of the Company was 61.59%. Such ratios were computed by dividing the total amount of liabilities by the amount of the total assets as at those respective dates.

As at 31 December 2011, the capital and reserves of the Company was RMB14,471,646,000 and that as at 31 December 2010, the capital and reserves of the Company was RMB13,434,786,000.

As at 31 December 2011, the Company had unutilised loan facilities totalling RMB16,000,000,000 (2010: RMB16,000,000,000). The Company may consider to use the unutilised loan facilities mentioned above partly or totally according to the requirements of the business operation and cash management of the Company.

BANK BORROWINGS

As at 31 December 2011, the Company's bank borrowings amounted to RMB7,500,000,000 at an annual interest rate of 4.3%.

EMPLOYEES AND EMPLOYEE WELFARE

1. The numbers of employees of the Company are set out as follows, together with a comparison with those in the previous year:

	2011	2010
Total employees	**1,614**	1,821

The notable decrease in the number of employees was mainly because in order to enhance the car parking services and control the cost effectively, the Company outsourced relevant service provided at the car parking building and lots in the western zone of the Beijing Capital Airport on 16 April 2011 and terminated the Labour contracts with the employees who were previously employed for such duties.

The remuneration policy of employees of the Company is determined by the management based on market practice. A position performance-based salary regimen is adopted for the Company's remuneration policy and long-term incentive plan, on the basis of position value and centred on performance evaluation. The remuneration system, under dynamic management, is both competitive externally and fair internally, and fulfils concurrent growth in the employees' income and the Company's profit as well as concurrent increase in remuneration of labour and labour productivity.

2. Employees' Pension scheme

   The details of the employees' pension scheme are set out in Note 9(a) and Note 23(a) to the Financial Statements.

3. Employees' housing benefits

   The details of the employees' housing benefits are set out in Note 20 to the Financial Statements.

4. Employees' basic medical insurance and commercial medical insurance

   With effect from 1 January 2003, the Company and its subsidiaries have complied with the regulations of the Beijing Municipal Government for basic medical insurance. According to the regulations, the Company pays the basic medical insurance and mutual insurance for large sum medical expenses for its employees at 9% and 1%, respectively, of the average monthly salaries of its employees in the previous year.

   In addition, the Company provides supplemental medical insurance benefits to its employees on certain amount. Other than this, the Company no longer pays cash medical subsidies or medical compensations to its employees.

CHARGE ON ASSETS

There were no assets charged or pledged for the year ended 31 December 2011.

Corporate Governance Report

Knowing its responsibilities to the shareholders and investors well, the Company has, since 2000 when it went public, been committed to improving the transparency of corporate governance and quality of information disclosure strictly in accordance with the relevant laws, rules and regulations formulated by the security supervision agencies home and abroad. Great importance has also been attached to the communication with the shareholders and investors, to make sure that the relevant information is disclosed to them in a timely manner and with integrity and accuracy. Strenuous efforts have been made to protect the interests of the investors as well. The Board of Directors commits itself to the rules for corporate governance, and continues to perfect the corporate governance and improve it to a new level, thus assuring and enhancing the value for the shareholders. Towards this end, the Group has adopted the principles of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules with the objective of enhancing the quality of corporate governance of the Group since 1 February 2000. This adoption can be seen in the Articles of Association of the Company, its internal rules and regulations, as well as its corporate governance practices.

The Board of Directors is also glad to acknowledge that the Company has applied the principles and complied with all the provisions of the Code during the Reporting Period, save for the directors' retirement by rotation as explained below. It has come to the directors' knowledge that no data reasonably indicates any incompliance with the Code Provisions in the Company, neither currently nor during the Reporting Period.

BOARD OF DIRECTORS

Composition and Term of Office

The fifth session of the Board of Directors of the Company consists of twelve directors, including two executive directors, six non-executive directors and four independent non-executive directors. In line with the Listing Rules, the Company has no less than three independent non-executive directors, at least one of whom has the appropriate professional qualifications or expertise in accounting or related financial management. The fifth session of the Board of Directors of the Company was established on 15 June 2011 and elected by the Company's shareholders at the annual general meeting for 2010. The term of office of all directors (including non-executive directors) will be three years and end on the date when the annual general meeting of the Company for 2013. The composition and changes of directors, the list of directors and their respective biographies are set out on pages 37 to 43 of this annual report.

The members of the Board of Directors know their own obligations and responsibilities very well, and treat all shareholders equally without discrimination. In order to make sure that the interests of all investors are protected properly, the members of the Board of Directors are provided with the documents and materials in connection with the Company's operations in a timely manner. The independent non-executive directors have performed their responsibilities in accordance with the relevant laws, rules and regulations, safeguarding the rights of the Company and all its shareholders. The Company has received the confirmation of independence from all independent non-executive directors pursuant to Rule 3.13 of the Listing Rules.

DUTIES AND OPERATION

According to the Articles of Association of the Company, the Board of Directors has been elected by and reported to the shareholders at the annual general meeting, and has made decisions on the business development plans and investment policies, while the general manager shall be responsible for the daily operation and internal management.

Pursuant to the Articles of Association of the Company or as authorized by the general meeting, the following important decisions are made by the Board of Directors: the important business plans and investment proposals; the annual financial budgets and final accounts; the plans for profit distribution and plans for making up losses; the internal management structure and other important duties.

The Board of Directors and its members have carried out the corporate governance earnestly, and all the directors have, with due diligence, attended the Board meetings, performed their duties, committed themselves to the overall interests of the Company and its shareholders.

Board Meetings

Board Meetings shall be held at least four times a year and convened by the chairman. Notice of a Board meeting shall be served on all directors at least 14 days prior to the meeting. In case of any emergency, an interim Board meeting may be held with the proposal by no less than one-third of the directors or the manager of the Company.

In 2011, the Board of Directors held nine meetings (of which five were held by way of circulating written documents) to discuss and determine the strategic development, major operational matters, financial affairs and other matters of the Company set out in the Articles of Association of the Company

Records of the directors' attendance at Board meetings in 2011 are as follows:

		Rate of attendance
Dong Zhiyi	Chairman, executive director	9/9
Zhang Guanghui	General manager, executive director	9/9
Chen Guoxing	Non-executive director	9/9
Gao Shiqing	Non-executive director	9/9
Yao Yabo	Non-executive director (appointed on 15 June 2011) *(Note 1)*	4/4
Zhang Musheng	Non-executive director (appointed on 15 June 2011) *(Note 1)*	4/4
Lau Eng Boon	Non-executive director (appointed on 15 June 2011) *(Note 1)*	4/4
Yam Kum Weng	Non-executive director	9/9
Zhao Jinglu	Non-executive director (cessation as director on 15 June 2011) *(Note 2)*	5/5
Japhet Sebastian Law	Independent non-executive director	9/9
Wang Xiaolong	Independent non-executive director	9/9
Jiang Ruiming	Independent non-executive director (appointed on 15 June 2011) *(Note 1)*	4/4
Liu Guibin	Independent non-executive director (appointed on 15 June 2011) *(Note 1)*	4/4
Dong Ansheng	Independent non-executive director (cessation as director on 15 June 2011) *(Note 2)*	5/5
Kwong Che Keung, Gordon	Independent non-executive director (cessation as director on 15 June 2011) *(Note 2)*	5/5

Note 1: Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Lau Eng Boon, Mr. Jiang Ruiming and Mr. Liu Guibin were appointed on 15 June 2011, therefore they did not attend any Board Meeting before 15 June 2011.

Note 2: Ms. Zhao Jinglu Mr. Dong Ansheng and Mr. Kwong Che Keung, Gordon ceased to be directors of the Company on 15 June 2011, therefore they did not attend any Board Meeting after 15 June 2011.

Chairman and General Manager

For the year ended 31 December 2011 and during the period up to the date of publication of this annual report, two executive directors of the Company, Mr. Dong Zhiyi and Mr. Zhang Guanghui, hold the positions of Chairman and General Manager (i.e., chief executive under the Listing Rules), respectively. The chairman's responsibilities are to convene the Board meetings and promote the corporate governance of the Company, while the general manager is responsible for taking part in the critical decision-making as part of the Board of Directors and taking charge of the daily operation of the Company. Their duties and responsibilities are clearly separated and there are no financial, business or relative relations between them. The governance structure of the Company features the clearly defined rights and responsibilities and express division of work, with each one performing his own duties.

Changes to the Management

On 5 August 2011, Mr. Chen Jun resigned from being Operation Director of the Company due to personal reason. On 30 March 2012, Mr. Liu Zengyu and Mr. Zhang Wei were appointed as Deputy General Manager of the Company. The details to the management are set out from page 46 to 50 of this annual report.

Insurance Arrangement

According to the relevant Code Provision, an issuer shall arrange appropriate insurance in respect of any legal action that may be threatened against its directors. The Company has arranged liability insurance for its directors, supervisors and other senior executives.

THE REMUNERATION AND EVALUATION COMMITTEE

Composition and Term of Office

The Remuneration and Evaluation Committee of the Company (the "Remuneration and Evaluation Committee") was established on 2 June 2005. On 15 June 2011, the fifth session of the Board of Directors re-appointed the members of the Remuneration and Evaluation Committee with their term of office to end on the date when the annual general meeting of the Company for 2013. At present, the Remuneration and Evaluation Committee is comprised of four independent non-executive directors, namely, Mr. Japhet Sebastian Law (chairman of the Remuneration and Examination Committee), Mr. Wang Xiaolong, Mr. Jiang Ruiming and Mr. Liu Guibin.

Duties

The main duties, roles and function of the Remuneration and Evaluation Committee are set out as follows:

To establish a remuneration plan or scheme, which should include benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment, for directors and senior management, based on and considering the main scope of the management post of directors and senior management, duties, time commitment, importance, salaries paid by comparable companies to comparable posts and employment termsof other posts in the Company, and to make recommendations to the Board;

To review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;

To review the performance of duties of directors (including independent non-executive directors) and senior management and to make their annual performance evaluation;

To monitor the implementation of the remuneration system of the Company;

To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with the relevant contractual terms and that such compensation is otherwise fair and reasonable and not excessive for the Company;

To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with the relevant contractual terms and are otherwise reasonable and appropriate;

To make recommendations to the Board on the Company's policy and structure for all remuneration of directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

To and make recommendations to the Board of on the remuneration of non-executive directors;

To ensure that no director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; and

To be responsible for other matters delegated by the Board.

Meetings

The Remuneration and Evaluation Committee shall hold at least one meeting a year, and the notice of meeting shall be delivered to all its members seven days prior to the meeting.

The Remuneration and Evaluation Committee held one meeting in 2011, and the records of attendance are as follows:

Members	Rate of attendance
Japhet Sebastian Law *(chairman)*	1/1
Wang Xiaolong *(former chairman)*	1/1
Jiang Ruiming	1/1
Liu Guibin	1/1
Kwong Che Keung, Gordon (ceased to be member on 15 June 2011) *(Note 1)*	—
Dong Ansheng (ceased to be member on 15 June 2011) *(Note 1)*	—
Gao Shiqing (ceased to be member on 15 June 2011) *(Note 1)*	—

Note 1: Mr. Kwong Che Keung, Gordon, Mr. Dong Ansheng and Mr. Guo Shiqing were no longer the members of the Evaluation and Remuneration Committee from 15 June 2011, therefore they did not attend the Evaluation and Remuneration meeting held on 23 December 2011.

The work performed by the Remuneration and Evaluation Committee of the Company for 2011 is summarized as follows:

In 2011, the Remuneration and Evaluation Committee reviewed the performance of the executive directors and approved the terms and conditions of the service contracts with them; verified the compensation policies, remunerations and welfares for the directors and executives of the Company; and organized special seminars on such topics as structure of compensations for the executives and competitive edge of the Company.

The remunerations of the independent non-executive directors of the Company are defined on the basis of the following factors: (i) work hours; (ii) responsibilities; (iii) level of remunerations of the Company; and (iv) level of remunerations offered by the companies of similar kind.

The Remuneration and Evaluation Committee has been provided with sufficient resources to perform its duties and responsibilities.

THE NOMINATION COMMITTEE

Composition and Term of Office

The Nomination Committee of the Company (the "Nomination Committee") was established on 26 March 2007. On 15 June 2011, the fifth session of the Board of Directors re-appointed the members of the Nomination Committee with their term of office to end on the date when the annual general meeting of the Company for 2013. At present, the Nomination Committee is comprised of six members, including four independent non-executive directors and two executive director, namely, Mr. Jiang Ruiming (chairman of the Nomination Committee), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong, Mr. Liu Guibin, Mr. Dong Zhiyi and Mr. Zhang Guanghui.

Duties

The main duties, roles and function of the Nomination Committee are set out as follows:

To make recommendations to the Board on the size and composition of the Board according to the business condition and the scale of assets and operation of the Company;

To consider the standards and procedures of selection of directors and senior management of the Company and make recommendations to the Board;

To review the qualifications of the candidates of directors and senior management and make recommendations;

To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

To assess the independence of the independent non-executive directors;

To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive; and

To be responsible for other matters delegated by the Board.

Meetings

The Nomination Committee shall hold at least one meeting a year, and the notice of meeting shall be delivered to all its members seven days prior to the meeting.

The Nomination Committee held one meeting in 2011, and the records of attendance are as follows:

Members	Rate of attendance
Dong Ansheng *(former chairman) (Note 1)* (ceased to be member on 15 June 2011)	1/1
Japhet Sebastian Law	1/1
Wang Xiaolong	1/1
Kwong Che Keung, Gordon (ceased to be member on 15 June 2011) *(Note 1)*	1/1
Dong Zhiyi	1/1
Jiang Ruiming (current chairman) *(Note 2)*	—
Liu Guibin *(Note 2)*	—
Zhang Guanghui *(Note 2)*	—

Note 1: Mr. Dong Ansheng and Mr. Kwong Che Keung, Gordon were appointed as the supervisor at the AGM on 15 June 2011 and were not the members of the Nomination Committee any more.

Note 2: Mr. Jiang Ruiming, Mr. Liu Guibin and Mr. Zhang Guanghui were appointed as the members of the Nomination Committee on 15 June 2011, therefore they did not attend the Nomination Committee's meeting held on 15 March 2011.

The work performed by the Nomination Committee of the Company for 2011 is summarized as follows:

In 2011, the Nomination Committee reviewed the structure, size and composition of the Board of Directors, as well as the criteria for selection of directors and executives, on the basis of the operating activities, asset size and equity ownership structure of the Company, and, on this basis, provided the Board of Directors with the relevant advices. During this Reporting Period, the Nomination Committee also reviewed the procedures for election of directions of the Company, defined the ways and procedures for the shareholders to nominate the candidates, and formulated the specific rules for the Nomination Committee to select the directors. For details about the procedures for director election, please refer to the Procedures of Election of Directors published on the website of the Company (www.bcia.com.cn).

In 2011, the fourth session of the Board of Directors of the Company expired and election was conducted for election of the fifth session of the Board. The Nomination Committee actively sought for qualified candidates and recommended them to the Board of Directors, while verifying the qualifications of the candidates and advising the Board of Directors in this regard. On 15 June 2011, the Resolutions on the Recommended Candidates for the Fifth Session of the Board of Directors were successfully passed at the annual general meeting, and the fifth session of the Board of Directors was thus generated. For information about the members of the Board of Directors, please refer to pages 37 to 43 of this annual report.

THE AUDIT COMMITTEE

Composition and Term of Office

The Audit Committee of the Company (the "Audit Committee") was established on 10 January 2000. On 15 June 2011, the fifth session of the Board of Directors re-appointed the members of the Audit Committee with their term of office to end on the date of the annual general meeting of the Company for 2013. At present, the Audit Committee is comprised of four independent non-executive directors, namely, Mr. Liu Guibin (chairman of the Audit Committee, Chinese CPA, and one of the first batch of the senior members (practising) of Chinese Insistitute of Certified Public Accountant), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong and Mr. Jiang Ruiming.

Duties

The main duties, roles and function of the Audit Committee are set out as follows:

To be responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

To develop and implement policy on engaging an external auditor to supply non-audit services. For which purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

To monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;

To monitor the Company's financial reporting system and internal control system;

To review the Company's financial controls, internal control and risk management systems;

To discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

To consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

To ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

To review the Company's financial and accounting policies and practices; to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

To ensure that the Board provides a timely response to the issues raised in the external auditor's management letter;

To report to the Board on the matters in the code provision of the Corporate Governance Code under Appendix 14 to the Listing Rules;

To review arrangements that the employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

To act as the key representative body for overseeing the Company's relations with the external auditor;

To consider other issues, as defined by the Board; and

To consider other issues delegated by the Board.

Meetings

The Audit Committee shall hold at least two meetings a year, and the notice of meeting shall be delivered to all its members seven days prior to the meetings.

The Audit Committee held three meetings in 2011, and the records of attendance are as follows:

Members	**Rate of attendance**
Liu Guibin (chairman) *(Note 1)*	2/2
Japhet Sebastian Law	3/3
Wang Xiaolong	3/3
Jiang Ruiming *(Note 1)*	2/2
Kwong Che Keung, Gordon (former chairman) (ceased to be member on 15 June 2011) *(Note 2)*	1/1
Dong Ansheng (ceased to be member on 15 June 2011) *(Note 2)*	1/1

Note 1: Mr. Liu Guibin and Mr. Jiang Ruiming were appointed as the members of the Audit Committee on 15 June 2011, therefore they did not attend Audit Committe's meeting before 15 June 2011.

Note 2: Mr. Kwong Che Keung, Gordon and Mr. Dong Ansheng were not the members of the Audit Committee on 15 June 2011, therefore they did not attend Audit Committe's meeting after 15 June 2011.

The work performed by the Audit Committee of the Company for 2011 is summarized as follows:

In 2011, the Audit Committee reviewed the financial report for 2011, and developed the advices on the financial statements for 2011; reviewed the annual report on compliance of continuing connected transactions, and developed the advices on the annual report on compliance of continuing connected transactions; reviewed the internal control report of the Company, and developed the advices on the internal control report; reviewed the proposal for renewed recruitment of external auditors, and defined their remuneration and term.

The Audit Committee has reported the aforesaid jobs and results to the Board of Directors.

The Audit Committee has been provided with sufficient resources, including the advices from external auditors and internal audit department, to perform its duties and responsibilities.

THE STRATEGY COMMITTEE

Composition and Term of Office

The Strategy Committee of the Company (the "Strategy Committee") was established on 12 June 2002. On 15 June 2011, the fifth session of the Board of Directors re-appointed the members of the Strategy Committee with their term of office to end on the date of the annual general meeting of the Company for 2013. At present, the Strategy Committee is comprised of seven members, including two executive directors, four non-executive directors, and one independent non-executive director, namely, Mr. Dong Zhiyi (chairman of the Strategy Committee), Mr. Zhang Guanghui, Mr. Chen Guoxing, Mr. Gao Shiqing, Mr. Yao Yabo, Mr. Zhang Musheng and Mr. Wang Xiaolong.

Duties

The main duties, roles and function of the Strategy Committee are set out as follows:

To investigate the operation environment and resources of the Company, to formulate the basic direction, goals and implementation plan for the future development of the Company;

To regularly assess the work of managing staff to ensure that their works are in line with the requirements under the long-term and mid-term development strategy of the Company;

To analyze and prepare the research report on the capital expenditure items which may pose material impact on the development strategy of the Company, to formulate the basic implementation plan and present it to the Board for approval; and

To consider other matters as required by the Board.

RESPONSIBILITIES OF THE DIRECTORS AND AUDITOR FOR ACCOUNTS

The directors hereby confirm the responsibilities for preparation of the financial statements of the Company. The directors confirm that the financial statements of the Company were prepared in accordance with the relevant rules and regulations as well as applicable accounting rules this year. The directors ensure that the financial statements of the Company will be published in due course. The responsibilities of the external auditor for the shareholders are described on page 79 to 80.

INTERNAL CONTROL

System Composition

The objectives of the internal control system of the Company are to insure the efficiency of the business activities, the safety of the assets, as well as the reliability of the business information and financial report. By means of risk management, the system is very complete and covers every aspect of the management and operation of the Company. The internal control system of the Company consists of the Supervisory Committee, the Board of Directors and the Audit Committee, as well as the internal audit department of the Company.

Operations

The audit department of the Company is responsible for making audit plan, which will be implemented after having been reviewed by the Audit Committee; the audit department is also responsible for conducting the independent audit on whether or not the internal control system of the Company is sufficient and effective according to the audit plan, and the independent audit report will be delivered to the management of the Company; the audit department will keep audit track of the corrective measures taken by the related departments according to the instructions of the management of the Company; the audit department is required make internal audit report to the Audit Committee every year.

The work performed by the internal audit department of the Company for 2011 is summarized as follows:

In 2011, the internal audit department conducted the proactive internal audit in the business-critical fields and high-risk areas of the Company, and added the efficiency audit into the special procurement and project management audit according to the actual management and operation of the Company. In the same year, the internal audit department reported its internal control work to the Audit Committee twice, and the Audit Committee reported to the Board of Directors accordingly. The Board of Directors has conducted a review of the effectiveness of the internal control of the Company and believes that, in the year ended 31 December 2011, the existing internal control system of the Company is prudent and sufficient to assure the interests of the Company and all shareholders.

AUDITORS' REMUNERATION

The Company has appointed PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian CPAs Limited Company as the international auditor and PRC auditor, respectively, for 2011. During the year ended 31 December 2011, a total service fee of RMB3,100,000 was paid by the Company in respect of the audit and audit related services provided by the above auditors.

No non-audit services was provided by the auditors for the year ended 31 December 2011.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to a policy of open and regular communication with its shareholders. The Company will also make reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manners:

1. The Company delivers the interim and annual results and reports to all shareholders and publishes the announcements on the annual and interim results and other information on the Hong Kong Stock Exchange's website and the Company's website.

2. The general meeting of the Company is also one of the communication channels between the Board and the shareholders.

3. The Company constantly strengthens ongoing communications with its shareholders, investors and analysts through:

    - establishing specialized agencies and personnel for receiving investors and analysts and answering the relevant questions raised by them;

    - arranging on-site visits by investors and analysts to the Company to facilitate their timely understanding of the business conditions and latest development of the business of the Company;

    - gathering, in a timely manner, various kinds of opinions and suggestions from securities analysts and investors on the operation of the Company, compiling reports regularly, and selectively adopting them to the operation of the Company; and

    - providing relevant financial and operational information via the Company's website.

Report of the Supervisory Committee

To all shareholders:

During 2011, in accordance with the Company Law of the People's Republic of China, the Listing Rules and the Company's articles of association, the Supervisory Committee has performed its supervisory duties conscientiously and acted on the principle of honesty and diligence.

The fifth session of the Supervisory Committee was established on 15 June 2011, upon election and confirmation by the Company's shareholders at the annual general meeting. The term of office for all the supervisors is three years, and will expire on the day when the 2013 annual general meeting is held.

Currently, the fifth session of the Supervisory Committee of the Company comprises seven members, including Mr. Liu Yanbin, Mr. Cui Youjun, and Ms. Zhao Jinglu as shareholder representative supervisors; Ms. Li Xiaomei and Mr. Tang Hua as employee representative supervisors; and Mr. Kwong Che Keung, Gordon, and Mr. Dong Ansheng as independent supervisors.

During the reporting period, the Supervisory Committee of the Company held two meetings.

On 18 March 2011, the Supervisory Committee held the first meeting of this year, at which the 2010 work details of the Supervisory Committee were summarized, and the Report of the Supervisory Committee of the Company for 2010 was considered and approved.

On 15 June 2011, the Supervisory Committee held the second meeting of this year, at which Mr. Liu Yanbin was elected as the chairman of the Supervisory Committee.

During the reporting period, all members of the Supervisory Committee attended the Board meetings for four times, and participated in important operating activities of the Company, such as the working meetings of the general manager, reviewed the Company's finance, day-to-day management and operations; and the Supervisory Committee is of the opinion that the procedures, voting methods and resolutions of general meetings and Board meetings were legitimate and effective. The Supervisory Committee has carefully reviewed the operating results and financial position of the Company for the year 2011, and is not aware of any action against the interests of the shareholders and the Company, or in breach of the Company's articles of association and the relevant laws.

The Supervisory Committee has carefully reviewed the Report of the Board, the financial statements and the profit appropriation proposal to be submitted to the 2011 annual general meeting and is of the view that the shareholders' equity maintained growth, the Company's profitability was enhanced, liability-to-asset ratio lowered, dividend distribution policy reasonable and overall financial position favorable during 2011.

After supervising the performance of duties by the members of the Board and the senior management, the Supervisory Committee considers that the members of the Board, the general manager and other senior management have abided by the principle of diligence and honesty, and performed their duties in good faith, taking the interests of the shareholders and the Company as their primary consideration.

The Beijing Capital Airport became the second biggest airport worldwide in 2011 and achieved remarkable progress in respect of passenger services, and will further maintain its growth momentum in the future. The Supervisory Committee is fully confident in the prospects of the Company's future development. Meanwhile, we will continue with our effective supervision over the operation of the Company as usual and faithfully safeguard the interests of all the shareholders and the Company.

By order of the Supervisory Committee
Liu Yanbin
Chairman of the Supervisory Committee

Beijing, the PRC, 30 March 2012

Independent Auditor's Report

pwc

羅兵咸永道

To the shareholders of Beijing Capital International Airport Company Limited

(Incorporated in the People's Republic of China with limited liability)

We have audited the financial statements of Beijing Capital International Airport Company Limited (the "Company") set out on pages 81 to 172, which comprise the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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AUDITOR'S RESPONSIBILITY (CONTINUED)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2011, and of the Company's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2012

Balance Sheet

As at 31 December 2011

	Note	2011 RMB'000	2010 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**30,660,155**	31,910,864
Land use rights	7	**715,396**	727,954
Intangible assets	8	**61,421**	83,770
Investment in a jointly controlled entity	9	**54,464**	52,201
Non-current portion of trade and other receivables	10	**55,531**	126,457
		31,546,967	32,901,246
Current assets			
Inventories		**129,801**	103,547
Trade and other receivables	10	**1,060,858**	1,093,634
Cash and cash equivalents	11	**948,542**	882,185
		2,139,201	2,079,366
Assets held for sale	12	**212,961**	—
		2,352,162	2,079,366
Total assets		**33,899,129**	34,980,612

Balance Sheet (Continued)

As at 31 December 2011

	Note	2011 RMB'000	2010 RMB'000
EQUITY			
Capital and reserves			
Share capital	13	**4,330,890**	4,330,890
Share premium		**5,055,425**	5,055,425
Capital reserve	14(a)	**552,650**	552,650
Statutory and discretionary reserves	14(b)	**2,321,530**	2,092,121
Retained earnings		**1,954,069**	1,403,700
Proposed final dividend	30	**257,082**	—
Total equity		**14,471,646**	13,434,786
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings	16	**7,500,000**	7,500,000
Bonds payable	17	**4,881,695**	4,877,770
Deferred income tax liabilities	18	**23,680**	497
Retirement benefit obligations	19	**94,769**	86,200
Deferred income	21	**2,549**	2,885
Loans from Parent Company	22	**4,431,191**	6,136,868
		16,933,884	18,604,220

As at 31 December 2011

	Note	2011 RMB'000	2010 RMB'000
Current liabilities			
Trade and other payables	15	**2,027,502**	2,409,712
Interest payable		**260,313**	258,565
Current income tax liabilities		**61,760**	126,198
Current portion of retirement benefit obligations	19	**5,099**	4,598
Current portion of loans from Parent Company	22	**138,925**	142,533
		2,493,599	2,941,606
Total liabilities		**19,427,483**	21,545,826
Total equity and liabilities		**33,899,129**	34,980,612
Net current liabilities		**(141,437)**	(862,240)
Total assets less current liabilities		**31,405,530**	32,039,006

The notes on pages 90 to 172 are an integral part of these financial statements.

The financial statements on pages 81 to 172 were approved by the Board of Directors on 30 March 2012 and were signed on its behalf.

Dong Zhiyi	**Zhang Guanghui**
Chairman	*Director*

Statement of Comprehensive Income

for the year ended 31 December 2011

	Note	2011 RMB'000	2010 RMB'000
Revenues			
Aeronautical	5	3,806,307	3,561,235
Non-aeronautical	5	2,693,909	2,215,496
		6,500,216	5,776,731
Business tax and levies			
Aeronautical		(130,602)	(107,525)
Non-aeronautical		(154,567)	(129,515)
		(285,169)	(237,040)
Operating expenses			
Depreciation and amortisation	6, 7 and 8	(1,506,589)	(1,509,655)
Utilities and power		(536,398)	(548,336)
Repairs and maintenance		(520,709)	(546,240)
Staff costs	23	(391,557)	(322,857)
Aviation safety and security guard costs		(353,998)	(354,687)
Operating contracted services		(200,101)	(209,894)
Greening and environmental maintenance		(189,710)	(209,805)
Real estate and other taxes		(152,004)	(146,024)
Rental expenses		(101,430)	(97,711)
Other costs		(202,699)	(172,049)
	25	(4,155,195)	(4,117,258)
Other income	24	12,881	368
Operating profit		2,072,733	1,422,801

	Note	2011 RMB'000	2010 RMB'000
Finance income	26	**139,761**	87,552
Finance costs	26	**(729,161)**	(717,294)
		(589,400)	(629,742)
Share of post-tax profits of a jointly controlled entity		**2,263**	—
Profit before income tax		**1,485,596**	793,059
Income tax expense	28(a)	**(371,603)**	(197,868)
Profit for the year		**1,113,993**	595,191
Total comprehensive income for the year		**1,113,993**	595,191
Earnings per share, basic and diluted *(RMB)*	29	**0.26**	0.14

The notes on pages 90 to 172 are an integral part of these financial statements.

	Note	2011 RMB'000	2010 RMB'000
Dividends			
Interim dividend declared	30	**77,133**	—
Final dividend proposed	30	**257,082**	—

Statement of Changes in Equity

For the year ended 31 December 2011

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory and discretionary reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2010		4,330,890	5,055,425	300,000	1,974,416	1,072,945	12,733,676
Total comprehensive income for the year		—	—	—	—	595,191	595,191
2009 final dividend		—	—	—	—	(146,731)	(146,731)
Cash contribution from Parent Company	14(a)	—	—	252,650	—	—	252,650
Transfer to statutory and discretionary reserves	14(b)	—	—	—	117,705	(117,705)	—
Balance at 31 December 2010		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Representing:							
Share capital and reserves		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Balance at 31 December 2010		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786

	Note	Share capital	Share premium	Capital reserve	Statutory and discretionary reserves	Retained earnings	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2011		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Total comprehensive income for the year		—	—	—	—	1,113,993	1,113,993
2011 interim dividend	30	—	—	—	—	(77,133)	(77,133)
Transfer to statutory and discretionary reserves	14(b)	—	—	—	229,409	(229,409)	—
Balance at 31 December 2011		4,330,890	5,055,425	552,650	2,321,530	2,211,151	14,471,646
Representing:							
Share capital and reserves		4,330,890	5,055,425	552,650	2,321,530	1,954,069	14,214,564
2011 proposed final dividend	30	—	—	—	—	257,082	257,082
Balance at 31 December 2011		4,330,890	5,055,425	552,650	2,321,530	2,211,151	14,471,646

The notes on pages 90 to 172 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2011

	Note	2011 RMB'000	2010 RMB'000
Cash flows from operating activities			
Cash generated from operations	33	**3,255,701**	3,786,830
Income tax paid		**(412,858)**	(92,133)
Net cash generated from operating activities		**2,842,843**	3,694,697
Cash flows from investing activities			
Purchase of property, plant and equipment		**(346,562)**	(321,720)
Purchase of intangible assets		**(7,039)**	(5,245)
Cash paid for purchase of the jointly controlled entity		**(52,201)**	—
Proceeds from sale of property, plant and equipment		**618**	—
Interest received		**9,897**	6,663
Net cash used in investing activities		**(395,287)**	(320,302)
Cash flows from financing activities			
Repayment of loans from Parent Company		**(1,640,466)**	(2,571,736)
Repayment of short-term bank borrowings		**—**	(12,800,000)
Interest paid		**(723,375)**	(544,574)
Dividends paid		**(77,133)**	(146,731)
Proceeds from loans from Parent Company		**63,962**	260,977
Proceeds from long-term bank borrowings		**—**	7,500,000
Proceeds from issuance of bonds		**—**	4,874,350
Cash contribution from Parent Company		**—**	252,650
Net cash used in financing activities		**(2,377,012)**	(3,175,064)

	Note	2011 RMB'000	2010 RMB'000
Net increase in cash and cash equivalents		**70,544**	199,331
Cash and cash equivalents at beginning of year		**882,185**	683,595
Effect of exchange rate changes		**(4,187)**	(741)
Cash and cash equivalents at end of year	11	**948,542**	882,185

The notes on pages 90 to 172 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2011

1 GENERAL INFORMATION

Beijing Capital International Airport Company Limited (the "Company") was incorporated as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 15 October 1999 and has been listed on The Stock Exchange of Hong Kong Limited since 1 February 2000. The Company is majority owned by Capital Airports Holding Company, a state-owned enterprise established in the PRC ("CAHC" or the "Parent Company") under the control of the Civil Aviation Administration of China ("CAAC").

The Company is principally engaged in the ownership and operation of the international airport in Beijing ("Beijing Capital Airport") and the provision of related services. The address of its registered office is Capital Airport, Beijing, the PRC.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated, and were approved for issue by the Board of Directors on 30 March 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and have been prepared under the historical cost convention.

As at 31 December 2011, the current liabilities of the Company exceeded the current assets by approximately RMB141,437,000 (2010: RMB862,240,000). Given the debt obligations and working capital requirements, management has thoroughly considered the Company's available sources of funds as follows:

- The Company's continuous net cash inflow from operating activities; and
- Unutilised long-term banking facilities of RMB11 billion.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to meet or refinance its working capital requirements as and when they fall due. As a result, the financial statements of the Company for the year ended 31 December 2011 have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

(1) Amended standards adopted by the Company

The Company early adopted IAS 24 (Revised) and IFRS 1 (Amendment) in 2009 and 2010 respectively, in which the revised standards are effective for annual periods beginning on or after 1 January 2011.

IAS 24 (Revised), "Related Party Disclosures" introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

- The name of the government and the nature of their relationship; and
- The nature and amount of any individually-significant transactions; and
- The extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party.

IFRS 1 (Amendment), "First time Adoption of International Financial Reporting Standards" allows a first-time adopter ("FTA") to elect to use event-driven fair values under previous Generally Accepted Accounting Principles as its IFRS deemed costs, provided that the revaluation took place at periods before or during the FTA's first set of IFRS financial statements.

Except for the above, new and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2011 have no impact on the Company or not currently relevant to the Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

(2) New standards, interpretations, and amendments to existing standards issued but not effective for the financial year beginning 1 January 2011 and not early adopted

		Effective for accounting periods beginning on or after
New standards, interpretations and amendments to existing standards		
IFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters	1 July 2011
IFRS 7 (Amendment)	Disclosures - Transfers of financial assets	1 July 2011
IAS 12 (Amendment)	Deferred tax - Recovery of underlying assets	1 January 2012
IAS 1 (Amendment)	Presentation of financial statements	1 July 2012
IAS 19 (Amendment)	Employee benefits	1 January 2013
IFRS 1 (Amendment)	First time adoption on government loans	1 January 2013
IFRS 7 (Amendment)	Disclosures - Offsetting financial assets and financial liabilities	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosures of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
IAS 27 (revised 2011)	Separate financial statements	1 January 2013
IAS 28 (revised 2011)	Associates and joint ventures	1 January 2013
IFRIC - Int 20	Stripping costs in the production phase of a surface mine	1 January 2013
IAS 32 (Amendment)	Offsetting financial assets and financial liabilities	1 January 2014
IFRS 9	Financial instruments	1 January 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

(2) New standards, interpretations, and amendments to existing standards issued but not effective for the financial year beginning 1 January 2011 and not early adopted (Continued)

Management is in the process of assessing the impact of these new standards, interpretations, and amendments to standards on the financial statements.

(b) Jointly controlled entities

A jointly controlled entity is a joint venture in respect of which a contractual arrangement is established between the participating venturers and whereby the Company together with the other venturers undertake an economic activity which is subject to joint control and none of the venturers has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company's investment in jointly controlled entities includes goodwill identified on acquisition.

The Company's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Jointly controlled entities (Continued)

The Company determines at each reporting date whether there is any objective evidence that the investment in the jointed controlled entity is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value and recognises the amount adjacent to 'share of post-tax profit/(loss) of a jointly controlled entity' in statement of comprehensive income.

Profits and losses from upstream and downstream transactions between the Company and its jointly controlled entity are recognised in the Company's financial statements only to the extent of unrelated investor's interest in the jointly controlled entity. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Company.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategy Committee that makes strategic decisions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency translation

The financial statements are presented in RMB, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other income/(expenses) - net'.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost (including a portion being stated at deemed costs by making reference to event-driven revalued amounts under the amendment to IFRS 1) less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All the other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings and improvements	8 - 45 years
Runways	40 years
Plant, furniture, fixtures and equipment	5 - 15 years
Motor vehicles	6 - 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(h)).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income within 'other costs'.

Assets under construction represent buildings and runways under construction and plant and equipment pending installation and are stated at cost. This includes the cost of construction, costs of plant and equipment and other direct costs plus cost of borrowings (including interest charges and exchange differences arising from foreign currency borrowings to the extent these exchange differences are regarded as an adjustment to interest costs) used to finance these projects during the period of construction or installation and testing. Assets under construction are not depreciated until such time as the relevant assets are completed and ready for their intended use.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Land use rights

Acquired land use rights are shown at historical cost. Land use rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of land use rights over the lease period of 50 years.

(g) Intangible assets

Acquired software and software use rights are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 years to 10 years on a straight-line basis.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Non-current assets held-for-sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value of inventories, represented by the spare parts and consumable items, is the expected amount to be realised from use.

(k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default are considered indicators that the trade and other receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'other costs'. When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'other costs' in the statement of comprehensive income.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(m) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(n) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its jointly controlled entity operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Current and deferred income tax (Continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in jointly controlled entity, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits

(1) Pension obligations

The Company operates various pension schemes. The Company has both defined contribution plans and defined benefit plans.

Defined Contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods.

The Company pays contributions to publicly and privately administered pension insurance plans on a mandatory and a contractual basis respectively. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as staff costs when they are due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (Continued)

(1) Pension obligations (Continued)

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of services and compensation.

The Company provides pension subsidies under defined benefit plans to its retirees and certain current employees. The payments are calculated based on a number of factors, including position, number of years of service, ability, etc and includes various categories of allowances. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries, Aon Hewitt, using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of long-term government bonds that are denominated in RMB, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to statement of comprehensive income immediately.

Past-service costs are recognised immediately in statement of comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (Continued)

(2) Other post-employment obligations

The Company provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by Aon Hewiit, the independent qualified actuaries.

(3) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

The liability for bonus entitlements is expected to be settled within 12 months and is measured at the amounts expected to be paid when it is settled.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(t) Government subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and the Company will comply with all attached conditions.

Government subsidies relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government subsidies relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenues / income recognition

Revenues is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services, stated net of value-added tax, returns, rebates and discounts. The Company recognises revenues when the amount of revenues can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Civil airport management and construction fee (the "Airport Fee") is recognised when the related services are rendered to the outbound passengers departing from the airport. The charge rates of the Airport Fee are regulated by relevant authorities. The Company recognises the Airport Fee according to the authorised charge rates attributable to the Company collected from outbound passengers.

(ii) Aeronautical revenues other than Airport Fee such as passenger charges and aircraft movement fees are recognised when the related airport services are rendered.

(iii) Concession revenues comprise sales-related revenue from retailing, restaurants, advertising and ground handling service in Beijing Capital Airport and is recognised at the same time when the services are provided by the franchisee.

Concession revenues from retailing, restaurants and advertising are recognised based on a percentage of sales or specified minimum rent guarantees.

Concession revenues from ground handling are recognised based on mutual negotiations with the franchisee and with reference to the charge rates promulgated by CAAC.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenues / income recognition (Continued)

(iv) Rental income is recognised on a straight-line basis over the period of the lease.

(v) Car parking fees are recognised when the parking services are rendered.

(vi) Management service fees are recognised when the management services are rendered.

(vii) Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivable is recognised using the original effective interest rate.

(v) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(1) Where Company is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(2) Where Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the period of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company conducts its operations in the PRC and accordingly is subject to certain specific risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry. Also the Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Company's overall financial risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the Company's financial performance. Financial risk management is carried out by a treasury division and a revenue division under the Company's finance department, following the overall directions determined by the Board of Directors. The treasury division identifies and evaluates financial risks in close co-operation with the Company's operating units and makes decisions on portfolio of currencies and term of deposits. The revenue division monitors the Company's exposure to credit risks with respect to its customers and coordinate collection efforts. The Board of Directors provides directions on overall risk management and makes key decisions on matters which may give rise to significant financial risks.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(i) Market risk

(1) Foreign exchange risk

The Company's businesses are principally conducted in RMB. The Company is exposed to foreign currency risk with respect to primarily United States dollar (US dollar" or "USD"') and Hong Kong dollar ("HK dollar" or "HKD"). Foreign currency risk arises from transactions including revenues from non-aeronautical revenues, purchases of equipment, goods and materials, payment of consulting fee and part of the loans from Parent Company. In addition, dividends to equity holders holding H shares are declared in RMB and paid in HK dollar.

As at 31 December 2011, all of the Company's assets and liabilities were denominated in RMB except that cash and cash equivalents of approximately RMB 59,320,000 (2010: RMB33,747,000), trade and other receivables of approximately RMB17,587,000 (2010: RMB31,859,000), trade and other payables of approximately RMB 598,000 (2010: RMB132,000) and loans from Parent Company of approximately RMB 2,570,116,000 (2010: RMB2,779,401,000) were denominated in US dollar.

As at 31 December 2011, if RMB had weakened/strengthened by 5% against the US dollar with all other variables held constant, post-tax profit would have decreased/ increased by RMB 93,518,000 (2010: decreased/increased by RMB 101,772,000), mainly as a result of foreign exchange losses/gains in translation of US dollar denominated cash and cash equivalents, trade and other receivables, trade and other payables and loans from Parent Company.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(i) Market risk (Continued)

(1) Foreign exchange risk (Continued)

Fluctuation of the exchange rates of RMB against foreign currencies could affect the Company's results of operations. Therefore using a forward contract may be considered to hedge its exposure to foreign exchange risk when appropriate. The Company did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2011 and 2010.

(2) Interest rate risk

The Company has no significant interest-bearing assets, other than cash and cash equivalents. The impact of the changes in interest rate is not expected to be material.

Long-term bank borrowings and bonds payable are at fixed interest rates and expose the Company to fair value interest rate risk. Loans from Parent Company are at floating interest rates and expose the Company to cash flow interest rate risk. Long-term bank borrowings and bonds payable are denominated in RMB. Loans from Parent Company are denominated in RMB and US dollar.

The Company analyses its interest rate exposure on a dynamic basis by simulating various options available for financing, and considers an interest rate swap arrangement to hedge its interest rate risk when appropriate.

As at 31 December 2011, if the interest rate on those loans with floating interest rates had increased/decreased by 0.5% with all other variables held constant, post-tax profit and equity would have been lower/higher by RMB 17,138,000 (2010: RMB23,548,000).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(ii) Credit risk

Credit risk arises if a customer or other counterparty fails to meet its contractual obligations. The credit risk of the Company mainly arises from debtors and deposits with banks and a financial institution.

In order to minimise the credit risk arising from debtors, management of the Company has delegated a team responsible for determination of credit limits and credit approval. In assessing the credit quality and set credit limits of the customers, the Company considers the customers' financial position, credit history as well as other factors such as market conditions. The utilisation of credit limits is regularly monitored. The Company has policies in place to limit the credit exposure on trade receivables. Debtors with overdue balances will be requested to settle their outstanding balance. The Company reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Company believes that adequate provision for doubtful debts has been made in the financial statements.

The Company's bank deposits are all deposited in state-owned banks/financial institution with high credit quality and other reputable listed bank. Management considers that the credit risk associated with the deposits with banks and a financial institution is low.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(iii) Liquidity risk

The Company adopts prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents and having available funding through short and long term banks loans from an adequate amount of committed credit facilities to meet its capital commitments and working capital requirements.

Management maintains rolling forecast of the Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. In addition, the Company maintains flexibility in funding through having adequate amount of cash and cash equivalents and utilising different sources of financing when necessary.

As at 31 December 2011, the Company had unutilised loan facilities totalling approximately RMB16,000,000,000 (2010: RMB16,000,000,000).

As at 31 December 2011, the amounts disclosed are the contractual undiscounted cash flows of the Company's financial liabilities, which are primarily long-term bank borrowings, bonds payable, and loans from Parent Company (2010: Long-term bank borrowings, bonds payable, and loans from Parent Company).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(iii) Liquidity risk (Continued)

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*
As at 31 December 2011				
Trade and other payables	1,468,629	—	—	—
Interest payable	260,313	—	—	—
Long-term bank borrowings	317,125	7,621,833	—	—
Bonds payable	20,257	224,050	2,487,600	3,139,500
Loans from Parent Company	215,514	265,454	2,736,808	2,009,565
	2,281,838	8,111,337	5,224,408	5,149,065
As at 31 December 2010				
Trade and other payables	2,033,365	—	—	—
Interest payable	258,565	—	—	—
Long-term bank borrowings	312,646	322,500	7,630,792	—
Bonds payable	20,257	224,050	2,572,150	3,279,000
Loans from Parent Company	349,010	347,759	1,037,273	5,887,421
	2,973,843	894,309	11,240,215	9,166,421

In respect of the Company's going concern basis of assumption for the preparation of its financial statements, please refer to the details to Note 2(a).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

As part of the capital risk management process, the Company monitors capital on the basis of the liability-to-asset ratio. This ratio is calculated as total liabilities divided by total assets.

The liability-to-asset ratios at 31 December were as follows:

	2011 ***RMB'000***	2010 *RMB'000*
Total liabilities	**19,427,483**	21,545,826
Total assets	**33,899,129**	34,980,612
Liability-to-asset ratio	**57%**	62%

There is no significant change in the liability-to-asset ratio during 2011.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair values estimation

The carrying amounts of the Company's financial assets, including cash and cash equivalents, trade and other receivables and financial liabilities, including primarily trade and other payables, bonds payable and loans from Parent Company approximate their fair values.

The fair value of long-term bank borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Estimated useful lives of property, plant and equipment

The Company's major operating assets represent buildings and improvements, runways and plant, furniture, fixtures and equipment. Management determines the estimated useful lives of its property, plant and equipment based on management's experience in operating airport and the conditions of the property, plant and equipment.

With all other variables held constant, if the useful lives differ by 10% from management estimates, the depreciation expense would be lower/higher by RMB204,666,000/ RMB181,557,000 for the year ended 31 December 2011.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) The cost of the Phase III Assets

The Company acquired from CAHC the airfield assets (including runway base courses, runway wearing courses, taxiways, road non-asphalt layers, road asphalt layers, aprons and tunnels, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport ("T3"), T3 related assets, roads within the airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related constructions are situated (collectively the "Phase III Assets").

Pursuant to the relevant assets transfer agreements, the Company acquired from the Parent Company the Phase III Assets on 1 October 2008. The date was different from the previously acknowledged acquisition date of 26 March 2008 by the Ministry of Finance ("MOF"). During the period from 26 March 2008 to 30 September 2008, the Phase III assets were used by the Company under operating leases arrangements. As of the date of approval of the financial statements, a submission through CAAC has been made to the MOF for endorsement of the acquisition date of 1 October 2008. The Board of Directors is of the view that such submission will be endorsed.

The cost of the Phase III Assets is determined based on the valuation performed by independent valuer and is subject to final adjustment when the final account of construction by the surveyors in respect of the Phase III Assets is available. Due to the size of the Phase III Assets, the final account of construction by the surveyors in respect of the Phase III Assets had not completed as at 31 December 2011. The total cost is therefore subject to future adjustment according to the final account of construction by the surveyors. Management does not expect the final account of construction by the surveyors to have an adjustment of more than 10% of the cost of the Phase III Assets. Any adjustment will be accounted for prospectively as a change in accounting estimate.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Impairment of trade and other receivables

The risk of impairment of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, while large accounts are assessed individually based on factors that include ability to pay, bankruptcy and payment history. Should the outcome differ from the assumptions and estimates, revisions to the estimated impairment of trade and other receivables would be required.

(d) Employee benefits

The Company's accounting policy is to recognise any actuarial gains or losses immediately through the statement of comprehensive income.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost /gain for pensions include the selection of discount rate, pension cost inflation rate, salary inflation rate, employees' withdrawal rate, mortality rate and expected return on plan assets. Any changes in these assumptions will impact the carrying amount of pension obligations.

The discount rate is calculated based on long-term government bonds. The pension cost inflation rate and salary inflation rate are based on the general local economic conditions. The employees' withdrawal rate is based on historical trends of the Company.

Additional information is disclosed in Note 19.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) The charge rates attributable to the Company on the Airport Fee collected

The charge rates of the Airport Fee are regulated by relevant authorities and the Company recognises the Airport Fee according to the authorised charge rates attributable to the Company collected from outbound passengers. For the year ended 31 December 2008, 2009 and 2010, the charge rates for the Airport Fee were 48% of total amount collected from outbound passengers according to the approval documents from CAAC.

Based on management's best estimation, the Company calculated its Airport Fee revenue for the year ended 31 December 2011 at the rate of 48% of total amount collected from outbound passengers, which was as same as that of previous years. And the Company had received from CAAC the Airport Fee for the year ended 31 December 2011 at the rate of 48% of total amount collected from outbound passengers departing from Beijing Capital Airport.

5 REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Strategy Committee which is appointed out of the directors by the Board of Directors. This committee reviews the Company's internal reporting in order to assess performance and allocate resources.

The Company runs a single business of operating and managing an airport and provision of related services in the PRC and resources are allocated based on what is beneficial to the Company in enhancing the value as a whole rather than any special unit. The Strategy Committee considers the performance assessment of the Company should be based on the results of the Company as a whole. Therefore, management considers there to be only one operating segment under the requirement of IFRS 8.

5 REVENUES AND SEGMENT INFORMATION (CONTINUED)

Analysis of revenues by category	**2011**	2010
	RMB'000	*RMB'000*
Aeronautical:		
Passenger charges	**1,526,025**	1,432,213
Aircraft movement fees and related charges	**1,278,346**	1,189,687
Airport fee *(Note 4(e))*	**1,001,936**	939,335
	3,806,307	3,561,235
Non-aeronautical:		
Concessions *(note a)*	**1,853,049**	1,396,782
Rentals	**764,608**	749,728
Car parking fee	**48,415**	40,469
Management service fee	**20,512**	20,140
Others	**7,325**	8,377
	2,693,909	2,215,496
Total revenues	**6,500,216**	5,776,731

5 REVENUES AND SEGMENT INFORMATION (CONTINUED)

(a) Concession revenues are recognised in respect of the following businesses:

	2011	2010
	RMB'000	*RMB'000*
Retailing	761,492	587,550
Advertising	707,511	620,606
Ground handling	224,622	43,541
Restaurants and food shops	107,459	97,495
Other	51,965	47,590
	1,853,049	1,396,782

As the Company is domiciled in the PRC from where all of its revenues from external customers for the year ended 31 December 2011 and 2010 are derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2011, approximately 21.2% (2010: 20.7%) of the total revenues of the Company are derived from a single external customer (including its subsidiaries).

6 PROPERTY, PLANT AND EQUIPMENT

	2011					
	Buildings and improvements RMB'000	Runways RMB'000	Plant, furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Assets under construction RMB'000	Total RMB'000
Cost:						
At beginning of year	21,519,993	9,732,271	7,844,398	516,638	115,555	39,728,855
Additions	—	—	39,030	119,507	359,925	518,462
Reclassification between categories	10,203	196,090	37,584	14,536	(258,413)	—
Disposals and other decreases	(41,891)	(55,178)	(37,184)	(19,665)	—	(153,918)
Transferred to the assets held for sale *(Note 12)*	(239,461)	—	(28,534)	—	—	(267,995)
At end of year	21,248,844	9,873,183	7,855,294	631,016	217,067	39,825,404
Accumulated depreciation and impairment						
At beginning of year	3,028,651	1,440,591	3,121,803	218,010	8,936	7,817,991
Charge for the year	526,190	214,644	679,129	39,338	—	1,459,301
Disposals and other decreases	(3,490)	—	(34,488)	(19,031)	—	(57,009)
Transferred to the assets held for sale *(Note 12)*	(38,259)	—	(16,775)	—	—	(55,034)
At end of year	3,513,092	1,655,235	3,749,669	238,317	8,936	9,165,249
Net book amount						
At end of year	17,735,752	8,217,948	4,105,625	392,699	208,131	30,660,155

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2010					
	Buildings and improvements	**Runways**	**Plant, furniture, fixtures and equipment**	**Motor vehicles**	**Assets under construction**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At beginning of year	21,512,527	9,677,215	7,747,908	515,503	172,640	39,625,793
Additions	—	—	7,789	3,945	111,065	122,799
Reclassification between categories	7,466	55,056	105,478	150	(168,150)	—
Disposals	—	—	(16,777)	(2,960)	—	(19,737)
At end of year	21,519,993	9,732,271	7,844,398	516,638	115,555	39,728,855
Accumulated depreciation and impairment						
At beginning of year	2,500,420	1,222,322	2,454,789	188,690	—	6,366,221
Charge for the year	528,231	218,269	682,527	31,988	—	1,461,015
Impairment charge	—	—	—	—	8,936	8,936
Disposals	—	—	(15,513)	(2,668)	—	(18,181)
At end of year	3,028,651	1,440,591	3,121,803	218,010	8,936	7,817,991
Net book amount						
At end of year	18,491,342	8,291,680	4,722,595	298,628	106,619	31,910,864

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leased assets, where the Company is a lessor, comprise buildings under operating leases with cost and accumulated depreciation as follows:

	2011 *RMB'000*	2010 *RMB'000*
Cost	**1,027,439**	1,217,519
Accumulated depreciation	**(331, 197)**	(320,060)
Net book amount	**696,242**	897,459

As at 31 December 2011, buildings with net book value of RMB294,966,000 (2010: RMB556,053,000) are situated on parcels of allocated land owned by Parent Company. These parcels of land are occupied by the Company at nil consideration. As at 31 December 2011, buildings and terminal with a net book value of RMB 9,422,128,000 (2010: RMB9,664,621,000) are situated on parcels of land which had been acquired from Parent Company as part of the acquisition of the Phase III Assets (Note 7). As at the date of approval of the financial statements, the Company is in the process of applying for the building ownership certificates of these buildings.

As at 31 December 2011, taxiways and structures with net book value of RMB1,167,402,000 (2010: RMB1,198,665,000) are situated on parcels of allocated land owned by Parent Company and another party. These parcels of land are occupied by the Company at nil consideration.

7 LAND USE RIGHTS

Interests in land use rights of the Company represent prepaid operating lease payments in the PRC held on leases of 50 years and their net book values are analysed as follows:

	2011	2010
	RMB'000	*RMB'000*
Cost		
At beginning of year	811,288	811,288
Additions	3,696	—
At end of year	814,984	811,288
Accumulated amortisation		
At beginning of year	(83,334)	(67,104)
Amortisation	(16,254)	(16,230)
At end of year	(99,588)	(83,334)
Net book amount		
At end of year	715,396	727,954

In 2008, as part of the acquisition of the Phase III Assets, the Company acquired from Parent Company the land use rights for parcels of land in the amount of RMB550,273,000. As at the date of approval of the financial statements, the Parent Company is in the process of applying and obtaining the land use rights certificates from the Beijing Municipal Bureau of Land and Resource.

8 INTANGIBLE ASSETS

Intangible assets comprised software and software use rights which are amortised on a straight-line basis between 4 years to 10 years respectively, and their net book values are analysed as follows:

	2011	2010
	RMB'000	*RMB'000*
Cost		
At beginning of year	**177,300**	191,603
Additions	**8,685**	9,889
Disposal	**—**	(24,192)
At end of year	**185,985**	177,300
Accumulated amortisation		
At beginning of year	**(93,530)**	(85,312)
Amortisation	**(31,034)**	(32,410)
Disposal	**—**	24,192
At end of year	**(124,564)**	(93,530)
Net book amount		
At end of year	**61,421**	83,770

9 INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	2011	2010
	RMB'000	*RMB'000*
At beginning of year	**52,201**	—
Share of profit	**2,263**	—
Acquisition	**—**	52,201
At end of year	**54,464**	52,201

The details of the jointly controlled entity, unlisted, are as follows:

	Place of incorporation	**Percentage of equity interest directly held**	
		2011	2010
Beijing Bowei Airport Support Limited ("Bowei")	Beijing, the PRC	**60%**	60%

Pursuant to Bowei's Articles of Association, the strategic operating, investing and financing activities of Bowei are jointly controlled by the Company and the other joint venture partner. Accordingly, the Company accounts for Bowei as a jointly controlled entity using the equity method.

9 INVESTMENT IN A JOINTLY CONTROLLED ENTITY (CONTINUED)

As at 31 December 2011, the total assets and total liabilities of Bowei, as well as its revenue and net profit for the year then ended are as follows:

	2011	2010
	RMB'000	*RMB'000*
Total assets	**225,803**	236,867
Total liabilities	**195,308**	167,565
Revenue	**399,286**	385,880
Net profit	**3,773**	1,413

10 TRADE AND OTHER RECEIVABLES

	2011	2010
	RMB'000	*RMB'000*
Trade receivables		
— CAHC and its fellow subsidiaries *(Note34(a))*	**217,493**	403,330
— other parties	**841,276**	652,393
	1,058,769	1,055,723
Less: Provision for impairment	**(17,257)**	(25,638)
	1,041,512	1,030,085
Notes receivable		
— other parties	**—**	39,986
Prepayments and other receivables		
— CAHC and its fellow subsidiaries *(Note 34(a))*	**50,366**	121,066
— other parties	**24,511**	28,954
	74,877	150,020
Total trade and other receivables	**1,116,389**	1,220,091
Less: non-current portion	**(55,531)**	(126,457)
Current portion	**1,060,858**	1,093,634

The fair values of the current portion of trade and other receivables approximate their carrying value.

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

Currency	2011 *RMB'000*	2010 *RMB'000*
RMB	**1,098,802**	1,188,232
US dollar	**17,587**	31,859
	1,116,389	1,220,091

The ageing analysis of the trade receivables is as follows:

	2011 *RMB'000*	2010 *RMB'000*
Less than 3 months	**729,357**	611,319
4 - 6 months	**57,865**	111,141
7 - 12 months	**81,285**	200,309
1 - 2 years	**135,892**	108,705
2 - 3 years	**41,583**	18,994
Over 3 years	**12,787**	5,255
	1,058,769	1,055,723

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly between 1 to 6 months.

As at 31 December 2011, trade receivables of RMB38,841,000 (2010: RMB331,066,000) were past due but were considered not impaired by management. These receivables relate to a number of customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

	2011	2010
	RMB'000	*RMB'000*
Past due up to 3 months	**19,195**	121,257
Past due 4 - 6 months	**4,875**	69,265
Past due 7 - 12 months	**8,229**	122,958
Past due over 1 year	**6,542**	17,586
	38,841	331,066

As at 31 December 2011, trade receivables of RMB597,145,000 (2010: RMB376,280,000) have indication of impairment. The amounts mainly related to non-aeronautical customers which were either in an unexpected difficult economic situation or in negotiation of the settlement amounts. It was assessed that after mutual negotiations, a substantial portion of these receivables are expected to be recovered. Consequently, specific provision of RMB17,257,000 (2010: RMB25,638,000) was made.

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

For trade receivables which have indication of impairment, ageing analysis is as follows:

	2011	2010
	RMB'000	*RMB'000*
Not past due	**324,922**	186,044
Past due up to 3 months	**37,573**	31,032
Past due 4 - 6 months	**35,325**	29,863
Past due 7 - 12 months	**66,384**	59,458
Past due over 1 year	**132,941**	69,883
	597,145	376,280

For trade receivables which were impaired and provision was made, ageing analysis is as follows:

	2011	2010
	RMB'000	*RMB'000*
Not past due	**—**	241
Past due up to 3 months	**250**	1,198
Past due 4 - 6 months	**368**	1,491
Past due 7 - 12 months	**593**	6,059
Past due over 1 year	**16,046**	16,649
	17,257	25,638

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

The movements on the provision for impairment of trade receivables are as follows:

	2011	2010
	RMB'000	*RMB'000*
At beginning of year	**25,638**	37,046
Reversal of provision for impairment of receivables	**(9,334)**	(2,947)
Collection of receivables previously written off	**953**	—
Receivables written off during the year as uncollectible	**—**	(8,461)
At end of year	**17,257**	25,638

Prepayment and other receivables do not contain impaired assets.

Management considered the maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

11 CASH AND CASH EQUIVALENTS

	2011	2010
	RMB'000	*RMB'000*
Cash at bank and on hand	410,142	489,641
Short-term bank deposits	538,400	392,544
	948,542	882,185
Maximum exposure to credit risk	948,540	882,185

In 2011, the effective interest rate on short term bank deposits was 1.49% (2010: 1.35%) per annum and such deposits had maturities of less than one month.

12 ASSETS HELD FOR SALE

On 23 December 2011, the Company entered into an agreement with Airport City Development Co., Ltd, an associate of Parent Company, to dispose of the buildings with related fixtures and equipment in 2012 at a consideration of RMB268,000,000. Accordingly, these assets were reclassified as assets held for sale.

13 SHARE CAPITAL

	Number of ordinary shares	H-Shares of RMB1.00 each	Domestic Shares of RMB1.00 each	Total
	(thousands)	*RMB'000*	*RMB'000*	*RMB'000*
Registered, issued and fully paid:				
As at 31 December 2010 and 2011	4,330,890	1,879,364	2,451,526	4,330,890

The Domestic shares rank pari passu, in all material respects, with H shares except that all dividends in respect of H shares are declared in RMB and paid in HK dollar. In addition, the transfer of Domestic shares is subject to certain restrictions imposed by the PRC law.

14 RESERVES

(a) Capital reserve

Capital reserve represents equity contributions from CAHC in cash to which CAHC is fully entitled.

In accordance with CAAC's instruction, this amount is to be accounted for as capital reserve of the Company and it is not to be distributed as dividend. In future, when the Company increases its share capital, the capital reserve may be converted into shares of the Company to be held by CAHC, provided appropriate conditions are met. The conversion is however subject to obtaining prior approval from the relevant government authorities and shareholders.

14 RESERVES (CONTINUED)

(b) Statutory and discretionary reserves

In accordance with the relevant laws and regulations of the PRC and the Articles of Association of the Company, when distributing the net profit of each year, the Company shall set aside 10% of its profit after taxation (based on the Company's PRC statutory financial statements) for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the Company's registered capital), and, at the discretion of the Board of Directors, to the discretionary surplus reserve fund. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

For the year ended 31 December 2011, the Board of Directors proposed appropriations of 10% and 20% of profit after tax (2010: 10% and 20%) respectively, as determined under Chinese Accounting Standards ("CAS"), of RMB111,399,000 and RMB222,799,000 (2010: RMB59,005,000 and RMB118,010,000) respectively to the statutory surplus reserve fund and the discretionary surplus reserve fund respectively.

The proposed profit appropriation of RMB222,799,000 to the discretionary surplus reserve fund for the year ended 31 December 2011 has been approved by the Board of Directors on 30 March 2012, which will be recorded in the financial statements for the year ending 31 December 2012.

The appropriation to discretionary surplus reserve fund of RMB118,010,000 (2010: RMB58,700,000) proposed for the year ended 31 December 2010 by the Board of Directors on 18 March 2011 was recorded in the financial statements for the year ended 31 December 2011.

15 TRADE AND OTHER PAYABLES

	2011 *RMB'000*	2010 *RMB'000*
Payable to Parent Company *(Note 34(a))*	**47,576**	159,291
Payables to a jointly controlled entity of the Company *(Note 34(a))*	**102,800**	112,902
Payables to CAHC's fellow subsidiaries *(Note 34(a))*	**583,095**	803,008
Construction payable	**376,489**	371,623
Taxes payable *(note b)*	**312,578**	312,578
Repairs and maintenance charges payable	**148,786**	167,062
Payroll and welfare payable *(note c)*	**124,235**	130,649
Deposits received	**37,130**	23,081
Greening and environmental maintenance charges payable	**31,438**	37,417
Business tax payable	**24,997**	41,832
Accounts payable for purchases	**24,554**	31,410
Sub-contracting charges payable	**24,001**	19,189
Housing subsidy payable to employees *(note d)*	**11,971**	13,414
Payable for purchase of Bowei's equity	**—**	52,201
Other payables	**177,852**	134,055
	2,027,502	2,409,712

15 TRADE AND OTHER PAYABLES (CONTINUED)

(a) The ageing analysis of trade and other payables is as follows:

	2011	2010
	RMB'000	*RMB'000*
Less than 3 months	**931,432**	1,388,760
4 - 6 months	**127,956**	65,063
7 - 12 months	**132,167**	102,698
Over 12 months	**835,947**	853,191
	2,027,502	2,409,712

(b) The amount represents payable to tax bureau for deed taxes in respect of the acquisition of the Phase III Assets.

(c) The balance as of 31 December 2011 included the obligations of RMB31,224,000 related to the defined contribution scheme under a retirement annuity plan (the "Annuity Plan") approved by the relevant government authority during year 2011. The Annuity Plan has replaced its existing retirement benefit plan related to pension subsidies for current employees effective from 1 January 2011. Please refer to Note 19 (a) for details.

(d) Housing subsidy payable to employees includes one-off housing subsidy which was received from CAHC and is to be paid to certain employees of the Company on behalf of CAHC in accordance with the PRC housing reform regulations. The one-off housing subsidy was attributable to the period prior to the Company's restructuring in 1999 in preparation for the offering of the Company's shares.

16 LONG-TERM BANK BORROWINGS

	2011 RMB'000	2010 RMB'000
Long-term bank borrowings	**7,500,000**	7,500,000

This represents bank borrowing which is unsecured, repayable in 2013, denominated in RMB and interest-bearing at 4.30% per annum.

The fair value of bank borrowing at 31 December 2011 is RMB7,285,067,000 which is based on discounted cash flows with the applicable discount rate of 6.3175% representing the prevailing market rate of interest available to the Company for financial instruments with substantially the same terms and characteristic as at the balance sheet date.

17 BONDS PAYABLE

	2011 RMB'000	2010 RMB'000
Principal amount	**4,900,000**	4,900,000
Bond issuance cost	**(25,650)**	(25,650)
Proceeds received	**4,874,350**	4,874,350
Accumulated amortisation amounts of bond issuance cost	**7,345**	3,420
	4,881,695	4,877,770

On 5 February 2010, the Company issued bonds with an aggregate principal amount of RMB4,900,000,000 with maturity periods of 5 and 7 years.

The bonds are unsecured, guaranteed by the Parent Company and interest-bearing at 4.45% to 4.65% per annum. The interest is payable annually and the principal amounts are repayable in 2015 and 2017.

18 DEFERRED INCOME TAXES

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25% (2010: 25%).

The movement on the deferred income tax account is as follows:

	2011	2010
	RMB'000	*RMB'000*
At beginning of year	**(497)**	70,617
Charged to statement of comprehensive income *(Note 28(a))*	**(23,183)**	(71,114)
At end of year	**(23,680)**	(497)

The movements in deferred income tax assets and liabilities during the year are as follows:

Deferred income tax assets	**Retirement benefit obligations**	**Accelerated accounting depreciation**	**Accruals**	**Other temporary differences**	**Total**
	(note a)	*(note b)*	*(note b)*		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2010	15,775	35,478	18,968	10,433	80,654
Credited/(charged) to statement of comprehensive income	6,924	(1,982)	(7,562)	1,497	(1,123)
As at 31 December 2010	22,699	33,496	11,406	11,930	79,531
As at 1 January 2011	22,699	33,496	11,406	11,930	79,531
Credited/(charged) to statement of comprehensive income	2,268	(549)	(522)	(2,333)	(1,136)
As at 31 December 2011	24,967	32,947	10,884	9,597	78,395

18 DEFERRED INCOME TAXES (CONTINUED)

Deferred income tax liabilities	**Accelerated tax depreciation** *(note b)* *RMB'000*	**Other temporary differences** *RMB'000*	**Total** *RMB'000*
As at 1 January 2010	—	10,037	10,037
Charged/(credited) to statement of comprehensive income	70,319	(328)	69,991
As at 31 December 2010	70,319	9,709	80,028
As at 1 January 2011	70,319	9,709	80,028
Charged/(credited) to statement of comprehensive income	22,375	(328)	22,047
As at 31 December 2011	92,694	9,381	102,075

(a) The Company provides defined benefit pension and post-retirement medical benefits ("post-retirement benefits") to their retired employees. The post-retirement benefits, though payable and deductible for corporate income tax purposes in the future, are recognised in the current period when the employees render services. The Company recognised a deferred income tax asset arising from the recognition of the provision for these post-retirement benefits.

(b) Temporary differences arose from differences between tax bases of property, plant and equipment, payroll and welfare payable and their carrying amounts in the financial statements.

18 DEFERRED INCOME TAXES (CONTINUED)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	2011	2010
	RMB'000	*RMB'000*
Deferred income tax assets	**78,395**	79,531
Deferred income tax liabilities	**(102,075)**	(80,028)
	(23,680)	(497)

The amounts shown in the balance sheet include the following:

	2011	2010
	RMB'000	*RMB'000*
Deferred income tax assets to be recovered after more than 12 months	**66,236**	64,742
Deferred income tax liability to be settled after more than 12 months	**101,747**	79,700

19 RETIREMENT BENEFIT OBLIGATIONS

As at 31 December 2011, the retirement benefit obligations recognised in the balance sheet are as follows:

	2011	2010
	RMB'000	*RMB'000*
Pension subsidies *(note a)*	**76,855**	70,548
Medical benefits *(note b)*	**23,013**	20,250
	99,868	90,798
Less: Amounts due within one year included in current liabilities	**(5,099)**	(4,598)
	94,769	86,200

The amounts recognised in the statement of comprehensive income are as follows:

	2011	2010
	RMB'000	*RMB'000*
Charged to pension subsidies *(note a)*	**10,705**	32,503
Post-retirement medical benefits *(note b)*	**2,987**	111
Total, charged to staff cost *(Note 23)*	**13,692**	32,614

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension subsidies

The amounts recognised in the balance sheet are determined as follows:

	2011 RMB'000	2010 RMB'000
Present value of the Annuity Plan *(note (i))*	**35,149**	—
Present value of unfunded obligations *(note (ii))*	**96,281**	136,040
Unrecognised past service cost	**(54,575)**	(65,492)
Liability in the balance sheet	**76,855**	70,548

(i) In 2011, the Company obtained approval from the relevant government authority on the Annuity Plan, which has replaced its existing retirement benefit plan related to pension subsidies for current employees effective from 1 January 2011, The Annuity Plan includes two schemes:

(1) the defined contribution scheme under the Annuity Plan applies to all current participating employees that the Company will make annual contributions determined by a specified level of the salary of the participating employees to a privately administered pension insurance plan. The related liabilities of such defined contribution plan have been included in trade and other payables (Note 15(c)).

(2) the defined benefit scheme represents the additional benefits guaranteed by the Company to certain employees, who have been employed by the Company before 1 January 2011 and whose accumulated fund under the defined contribution scheme of the Annuity Plan will be not able to meet the amount guaranteed by the Company upon their retirement. The Company will provide such employees additional benefits up to the guaranteed amount of pension benefit on their retirement. The Company will make further payments to the trustee, which constitutes plan assets being held in the trust for the purpose of meeting the corresponding additional retirement benefit obligations. As at 31 December 2011, the Company has not yet made any payment to fund the plan assets.

(ii) It represented the existing retirement benefit plan for retired employees.

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension subsidies (continued)

Movements in the liability recognised in the balance sheet are as follows:

	2011 RMB'000	2010 RMB'000
At beginning of year	70,548	42,781
Total cost	10,705	32,503
Payment made in the year	(4,398)	(4,736)
At end of year	76,855	70,548

The amounts recognised in the statement of comprehensive income are as follows:

	2011 RMB'000	2010 RMB'000
Current service cost	3,660	2,443
Interest cost	6,188	3,255
Past service cost	3,288	1,746
Plan amendment *(note i)*	(29,671)	30,924
Net actuarial losses/(gains) recognised	27,240	(5,865)
	10,705	32,503

(i) This represents the present value of benefits changes in certain staff welfare items implemented in 2011 and 2010, as well as reversal of the defined benefit obligation with the effective of the Annuity Plan respectively.

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension subsidies (continued)

The principal actuarial assumptions at the balance sheet date are as follows:

	2011	2010
Expected return on plan assets	**5.00%**	Not applicable
Discount rate	**4.30%**	4.50%
Pension cost inflation rate	**3.00%**	1.00%
Salary inflation rate	**note (i)**	Not applicable
Employee withdrawal rate	**2.60%**	2.60%
Mortality rate	**note (ii)**	note (ii)

(i) Salary inflation rate assumption is 7.00% for the 1st year, 6.00% for the 2nd year, and 5.00% thereafter.

(ii) Mortality rates for male and female were made reference to the China Life Incurrence Mortality Table (2000-2003) published by the China Insurance Regulatory commission in 2005.

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Post-retirement medical benefits

Movements in the liability recognised in the balance sheets are as follows:

	2011 RMB'000	2010 RMB'000
At beginning of year	20,250	20,320
Total cost	2,987	111
Payment made in the year	(224)	(181)
At end of year	23,013	20,250

The amounts recognised in the statement of comprehensive income are as follows:

	2011 RMB'000	2010 RMB'000
Current service cost	760	847
Interest cost	957	871
Past service cost	14	13
Net actuarial losses/(gains) recognised	1,256	(1,620)
	2,987	111

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Post-retirement medical benefits (Continued)

The principal actuarial assumptions at the balance sheet date are as follows:

	2011	2010
Discount rate	4.30%	4.50%
Inflation rate of average medical benefit	7.00%	7.00%
Employee withdrawal rate	2.60%	2.60%
Mortality rate	note	note

Note: Mortality rates for male and female were made reference to the China Life Incurrence Mortality Table (2000-2003) published by the China Insurance Regulatory commission in 2005.

20 HOUSING FUND AND SUBSIDIES

In accordance with the PRC housing reform regulations, the Company is required to make monthly contributions to a State-sponsored housing fund at 12% (2010: 12%) of the basic salary of its full-time Chinese employees within a cap determined by the State annually. At the same time, the employees are required to make a contribution equal to the Company's contributions out of their salaries. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances from the State. For the year ended 31 December 2011, the Company's contribution to the housing fund was approximately RMB18,828,000 (2010: RMB17,528,000) (Note 23).

In addition, during the year ended 31 December 2011, the Company provided RMB2,400,000 (2010: RMB2,920,000) to its employees as cash housing subsidies and the amount has been charged to the statement of comprehensive income. These cash housing subsidies are determined based on a number of factors, including the position, length of service and ability of the employees concerned, as well as the staff quarters that the employees had already obtained from CAHC and its related entities prior to the incorporation of the Company and currently occupy (Note 23).

Moreover, CAHC had provided housing benefits to the Company's employees who were employees of CAHC and its related entities prior to the incorporation of the Company. The Company has no obligation to reimburse CAHC for any costs or losses incurred by CAHC in relation to such housing benefits.

21 DEFERRED INCOME

In prior years, the Company received subsidies from government in respect of certain construction projects for the preparation of Beijing Olympics and Paralympics. Such subsidies are deferred and recognised in the statement of comprehensive income over the estimated useful lives of the related fixed assets.

22 LOANS FROM PARENT COMPANY

As part of the acquisition of the Phase III Assets, the Company entered into agreements with the Parent Company to assume the following long-term borrowings which were previously obtained by the Parent Company with same terms. The borrowings were not reassigned into the name of the Company.

	Loans previously obtained by the Parent Company from		
	European Investment Bank *(note a)* *RMB'000*	**domestic financial institutions** *(note b)* *RMB'000*	**Total** *RMB'000*
As at 31 December 2011			
Loans from Parent Company	2,570,116	2,000,000	4,570,116
Less: current portion	(138,925)	—	(138,925)
	2,431,191	2,000,000	4,431,191
As at 31 December 2010			
Loans from Parent Company	2,779,401	3,500,000	6,279,401
Less: current portion	(142,533)	—	(142,533)
	2,636,868	3,500,000	6,136,868

(a) This loan is denominated in the US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. The interest is payable semi-annually. The principal amount is repayable by instalments semi-annually commencing on 15 December 2010 with maturity through 15 June 2030.

(b) This loan is denominated in RMB and unsecured. The interest rate is referenced to published inter-bank repo rates issued by China Foreign Exchange Trading Center & National Interbank Funding Center and repriced every half year. The interest is payable semi-annually.

In 2011 a principal amount of RMB1,500,000,000 was repaid in advance and the remaining principal of RMB2,000,000,000 will be repayable in full in 2016.

23 STAFF COSTS

	2011	2010
	RMB'000	*RMB'000*
Salaries and welfare	**256,154**	207,174
Housing fund *(Note 20)*	**18,828**	17,528
Housing subsidies *(Note 20)*	**2,400**	2,920
Pension costs - defined contribution scheme under statutory pension plan *(note a)*	**25,662**	25,259
Pension costs - defined benefit scheme *(Note 19)*	**13,692**	32,614
Pension costs - defined contribution scheme under the Annuity plan *(Note 15(c) and Note 19(a)(i))*	**31,224**	—
Other allowances and benefits	**43,597**	37,362
	391,557	322,857

(a) All of the Company's full-time Chinese employees are covered by a state-sponsored pension plan and are entitled to a monthly pension at their retirement dates. The PRC government is responsible for the pension liability to these retired employees. The Company is required to make monthly contributions to the state-sponsored retirement plan at a rate of 20% (2010: 20%) of the employees' basic salaries subject to a cap determined by the state on an annual basis.

(b) Staff costs include emoluments payable to the Company's directors, supervisors and senior management as set out in Note 27.

24 OTHER INCOME

	2011	2010
	RMB'000	*RMB'000*
Government subsidies	**12,881**	368

25 EXPENSES BY NATURE

Expenses included in depreciation and amortisation, rental expenses and other costs are further analysed as follows:

	2011	2010
	RMB'000	*RMB'000*
Depreciation on property, plant and equipment *(Note 6)*		
— owned assets	**1,435,033**	1,432,475
— owned assets leased out under operating leases	**24,268**	28,540
Loss on disposal of property, plant and equipment	**5,423**	1,556
Amortisation of land use rights *(Note 7)*	**16,254**	16,230
Amortisation of intangible assets *(Note 8)*	**31,034**	32,410
Operating lease rentals		
— office building *(Note 34(b))*	**37,345**	37,345
— land use rights on which the airfield and related areas of Phase III Assets are situated *(Note 34(b))*	**28,000**	28,000
— land use rights *(Note 34(b))*	**7,423**	7,423
— information technology center *(Note 34(b))*	**16,321**	16,299
— other rentals	**12,341**	8,644
Reversal of provision for impairment of trade receivables *(Note 10)*	**(9,334)**	(2,947)
Provision for impairment of property, plant and equipment	**—**	8,936
Auditor's remuneration	**3,100**	3,100

26 FINANCE INCOME/(COSTS)

	2011 RMB'000	2010 RMB'000
Finance income:		
Exchange gain	**129,011**	81,182
Interest income on bank deposits	**10,750**	6,370
	139,761	87,552
Finance costs:		
Interest for long-term bank borrowings		
wholly repayable within 5 years	**(326,979)**	(321,681)
Interest for bonds payable		
— Wholly repayable within 5 years	**(86,441)**	(78,557)
— Not wholly repayable within 5 years	**(141,534)**	(128,656)
Interest for loans from Parent Company		
— Wholly repayable within 5 years	**(147,105)**	—
— Not wholly repayable within 5 years	**(24,463)**	(184,453)
Bank charges	**(2,639)**	(3,947)
	(729,161)	(717,294)
Net finance costs	**(589,400)**	(629,742)

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(a) Directors' and Supervisors' emoluments

The aggregated amounts of emoluments payable to directors and supervisors of the Company during the year were as follows:

	2011 ***RMB'000***	2010 *RMB'000*
Fees	**800**	700
Salaries, housing and other allowances, and benefits in kind	**1,949**	1,841
Discretionary bonuses	**455**	253
Contributions to the retirement scheme	**276**	89
	3,480	2,883

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2011 is set out below:

	Fees	Salaries, housing and other allowances, and benefits in kind	Contributions to the retirement scheme	Discretionary bonuses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of director					
Dong Zhiyi *(note i)*	—	—	—	150	150
Zhang Guanghui	—	812	114	150	1,076
Gao Shiqing *(note i)*	—	—	—	—	—
Chen Guoxing *(note i)*	—	—	—	—	—
Yao Yabo *(note i and ii)*	—	—	—	—	—
Zhang Musheng *(note i and ii)*	—	—	—	—	—
Yam Kum Weng *(note iii)*	—	—	—	—	—
Lau Eng Boon *(note ii and iii)*	—	—	—	—	—
Liu Guibin *(note iv)*	150	—	—	—	150
Jiang Ruiming *(note iv)*	150	—	—	—	150
Japhet Sebastian Law	150	—	—	—	150
Wang Xiaolong	150	—	—	—	150

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2011 is set out below: (Continued)

	Fees	Salaries, housing and other allowances, and benefits in kind	Contributions to the retirement scheme	Discretionary bonuses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of supervisor					
Zhao Jinglu *(note i and v)*	—	—	—	—	—
Cui Youjun *(note i and v)*	—	—	—	—	—
Li Xiaomei	—	827	110	150	1,087
Tang Hua	—	310	52	5	367
Liu Yanbin *(note i and v)*	—	—	—	—	—
Kwong Che Keung *(note vi)*	100	—	—	—	100
Dong Ansheng *(note vi)*	100	—	—	—	100
	800	1,949	276	455	3,480

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2010 is set out below:

	Fees	Salaries, housing and other allowances, and benefits in kind	Contributions to the retirement scheme	Discretionary bonuses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of director					
Zhang Zhizhong *(note i)*	—	—	—	—	—
Dong Zhiyi	—	91	9	—	100
Zhang Guanghui	—	681	22	100	803
Gao Shiqing *(note i)*	—	—	—	—	—
Chen Guoxing *(note i)*	—	—	—	—	—
Zhao Jinglu *(note v)*	—	—	—	—	—
Yam Kum Weng *(note iii)*	—	—	—	—	—
Kwong Che Keung *(note vi)*	150	—	—	—	150
Dong Ansheng *(note vi)*	150	—	—	—	150
Japhet Sebastian Law	150	—	—	—	150
Wang Xiaolong	150	—	—	—	150

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2010 is set out below: (Continued)

	Fees	Salaries, housing and other allowances, and benefits in kind	Contributions to the retirement scheme	Discretionary bonuses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Name of supervisor					
Wang Zuoyi *(note vii)*	—	—	—	—	—
Li Xiaomei	—	813	29	118	960
Tang Hua	—	256	29	35	320
Han Xiaojing *(note vii)*	50	—	—	—	50
Xia Zhidong *(note vii)*	50	—	—	—	50
	700	1,841	89	253	2,883

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

Note:

(i) Except for the discretionary bonuses paid to Mr. Dong Zhiyi, the emoluments of these directors and supervisors which were not included in directors' and supervisors' emoluments, were paid by the Parent Company.

(ii) Mr. Yao Yabo, Mr. Zhang Musheng and Mr Lau Eng Boon were appointed as non-executive directors on 15 June 2011.

(iii) The emoluments of this director were paid by a shareholder of the Company.

(iv) Mr. Liu Guibin and Mr. Jiang Ruiming were appointed as independent non-executive directors on 15 June 2011.

(v) Ms. Zhao Jinglu resigned from executive director and was appointed as supervisor on 15 June 2011. Mr. Cui Youjun and Mr Liu Yanbin were appointed as supervisor on 15 June 2011.

(vi) Mr. Kwong Che Keung and Mr. Dong Ansheng resigned from independent non-executive directors and were appointed as supervisors on 15 June 2011 with an annual emolument of RMB100,000.

(vii) Mr. Wang Zuoyi, Mr. Han Xiaojing and Mr. Xia Zhidong resigned from supervisors on 15 June 2011.

No directors waived or agreed to waive any emoluments during the year.

During the year ended 31 December 2011, no emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office (2010: nil).

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Company for the year include one director, one supervisor and three senior executives (2010: one director, one supervisor and three senior executives). The emoluments of the director and supervisor are reflected in the analysis presented above. The emoluments payables to the remaining three (2010: three) individuals during the year are as follows:

	For the year ended 31 December	
	2011	2010
	RMB'000	*RMB'000*
Salaries, housing and other allowances, and benefits in kind	**1,901**	1,796
Discretionary bonuses	**375**	277
Contributions to the retirement scheme	**283**	86
	2,559	2,159

During the year ended 31 December 2011, no emoluments were paid by the Company to the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office (2010: nil).

27 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT (CONTINUED)

(b) Five highest paid individuals (Continued)

The emoluments of the three senior executives fell within the following bands:

	Number of individuals	
	2011	2010
Below HK$1,000,000 (equivalent to RMB 810,700)	**1**	3
HK$1,000,001 - HK$1,500,000 (approximately equivalent to RMB 810,701 - RMB 1,216,050)	**2**	—
	3	3

28 TAXATION

(a) Corporate income tax

Taxation in the statement of comprehensive income represents provision for PRC corporate income tax.

The Company is subject to corporate income tax at a rate of 25% (2010: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	2011	2010
	RMB'000	*RMB'000*
Current tax	**348,420**	126,754
Deferred income tax *(Note 18)*	**23,183**	71,114
	371,603	197,868

28 TAXATION (CONTINUED)

(a) Corporate income tax (Continued)

The difference between the actual taxation charge in the statement of comprehensive income and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	2011 RMB'000	2010 RMB'000
Profit before income tax	1,485,596	793,059
Less: Share of post-tax profits of a jointly controlled entity	(2,263)	—
	1,483,333	793,059
Tax calculated at a tax rate of 25% (2010: 25%)	370,833	198,265
Expenses not deductable for tax purpose	770	888
Tax credit on qualified purchases of domestically manufactured equipment	—	(1,285)
Tax charge	371,603	197,868

(b) Business taxes

The Company is subject to business taxes on its service revenues at the following rates:

Aeronautical revenues	3% of service revenue
Non-aeronautical revenues	3% of concessions in respect of the ground handling, 5% of other concessions, rental income, car parking fee income and management service fee income

28 TAXATION (CONTINUED)

(c) Urban construction and maintenance tax and Education surcharge

The Company is subject to urban construction and maintenance tax as well as education surcharge at the following rates:

Urban construction and maintenance tax	5% of business tax
Education surcharge	3% of business tax

(d) Real estate tax

The Company is subject to real estate tax at an annual rate of 1.2% on 70% of the cost of its buildings and land.

29 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of 4,330,890,000 ordinary shares in issue during the year.

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2011 and 2010.

	2011	2010
Profit attributable to owners of the Company *(RMB'000)*	**1,113,993**	595,191
Basic earnings per share *(RMB per share)*	**0.26**	0.14

30 DIVIDENDS

	2011	2010
Dividend proposed		
Final dividend *(RMB'000)*	**257,082**	—
Final dividend per share *(RMB)*	**0.05936**	—
Interim dividend *(RMB'000)*	**77,133**	—
Interim dividend per share *(RMB)*	**0.01781**	—

The final dividend for the year ended 31 December 2011 was proposed at the Board of Directors meeting held on 30 March 2012. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2012.

31 CONTINGENCIES

The Directors of the Company understand that certain residents living in the vicinity of Beijing Capital Airport have made complaints to the Beijing Municipal Government of the aircraft engine noise created by approaching and departing aircrafts, and requested relocation and/or compensation. The Directors of the Company also understand that the relevant government authorities have been involved in resolving these complaints.

As at 31 December 2011, the outcome was still pending. Any potential financial impact to the Company, if any, will depend on the final resolution of these complaints with the parties involved. Based on advice of legal counsel, the Directors are of the opinion that the final amounts (if any) will be insignificant to the Company, therefore, no provision has been made in the financial statements.

32 COMMITMENTS

Capital commitments

Capital commitments primarily relate to the construction of and the equipment to be installed at the airport terminals and other airport facilities upgrading projects. The Company had the following outstanding capital commitments not provided for in the financial statements as at 31 December 2011:

	2011	2010
	RMB'000	*RMB'000*
Authorised but not contracted for	**198,968**	514,649
Contracted but not provided for	**340,937**	776,696
	539,905	1,291,345

Operating lease commitments - where the Company is the lessee

As at 31 December 2011, the future aggregate minimum lease payments under non-cancellable operating leases payable to Parent Company are as follows:

	2011	2010
	RMB'000	*RMB'000*
Not later than 1 year	**51,744**	51,744
Later than 1 year and not later than 5 years	**158,014**	174,335
Later than 5 years	**552,649**	588,073
	762,407	814,152

32 COMMITMENTS (CONTINUED)

Operating lease arrangements - where the Company is the lessor

As at 31 December 2011, the future minimum lease payment receivables under non-cancellable operating leases for buildings are as follows:

	2011	2010
	RMB'000	*RMB'000*
Not later than 1 year	**527,410**	202,241
Later than 1 year and not later than 5 years	**431,816**	147,108
Later than 5 years	**—**	10,000
	959,226	359,349

Concession income arrangements

As at 31 December 2011, the future minimum concession income receivable under non-cancellable agreements in respect of the operating rights of retailing, advertising, restaurant and food shop businesses are as follows:

	2011	2010
	RMB'000	*RMB'000*
Not later than 1 year	**1,038,378**	965,809
Later than 1 year and not later than 5 years	**2,017,272**	2,896,881
Later than 5 years	**5,000**	—
	3,060,650	3,862,690

33 NOTES TO CASH FLOW STATEMENT

Reconciliation of profit for the year to cash generated from operations

	2011	2010
	RMB'000	*RMB'000*
Profit for the year	1,113,993	595,191
Adjustments for:		
Taxation	371,603	197,868
Depreciation	1,459,301	1,461,015
Amortisation of land use rights	16,254	16,230
Amortisation of intangible assets	31,034	32,410
Reversal of provision for impairment of trade receivables	(9,334)	(2,947)
Provision for impairment of property, plant and equipment	—	8,936
Loss on disposal of property, plant and equipment	5,423	1,556
Share of post-tax profits of a jointly controlled entity	(2,263)	—
Interest income	(10,750)	(6,370)
Finance costs	729,161	717,294
Foreign exchange gains	(129,011)	(81,182)
Retirement benefit obligations	9,070	27,697
Deferred income	(336)	(5,506)
Changes in working capital:		
Inventories	(26,254)	(45,641)
Trade and other receivables	43,349	665,432
Trade and other payables	(345,539)	204,847
Cash generated from operations	3,255,701	3,786,830

34 RELATED PARTY TRANSACTIONS

The Company is controlled by CAHC which owns 56.61% of the Company's shares. The remaining 43.39% of the shares are widely held. The Directors of the Company consider CAHC, which is a PRC state-owned enterprise under the control of CAAC, to be the ultimate holding company.

CAHC itself is a state-owned enterprise and is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24, "Related Party Disclosure", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are also defined as related parties of the Company. On that basis, related parties include CAHC and its subsidiaries (other than the Company), other government-related entities and their subsidiaries, other entities and corporations in which those government-related entities are able to control or exercise significant influence and key management personnel of the Company and CAHC as well as their close family members.

The Company is part of a larger group of companies under CAHC and has extensive transactions and relationships with members of the CAHC group. The Directors of the Company consider that the transactions between the Company and the members of the CAHC group are activities in the ordinary course of business.

A significant portion of the Company's business activities are conducted with state-owned enterprises. Sale of services to these state-owned enterprises are at state-prescribed prices which are similar to prices to other customers. The Company considers that these sales are activities in the ordinary course of business. In this connection, the Company has significant trading balances with state-owned enterprises in the ordinary course of business which have similar terms of repayments as balances with third parties.

In addition, a large portion of the Company's bank deposits/bank borrowings were held at/borrowed from state-owned financial institutions in accordance with the terms as set out in the respective agreements or as mutually agreed between the parties concerned at prevailing market terms and rates.

For the purpose of the related party transaction disclosures, the Directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

Other than the transactions as disclosed in the respective notes, the following is a summary of significant transactions carried out with related parties in the ordinary course of business.

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Balances with related parties

As at 31 December 2011, balances with related parties comprised:

	2011	2010
	RMB'000	*RMB'000*
Trade and other receivables from CAHC and its fellow subsidiaries *(Note 10 and (i))*	**267,859**	524,396
Deposits placed with a subsidiary of CAHC *(note (ii))*	**188,756**	1,165
Trade and other payables to CAHC *(Note 15 and (i))*	**47,576**	159,291
Trade and other payables to a jointly controlled entity of the Company *(Note 15 and (i))*	**102,800**	112,902
Trade and other payables to CAHC's fellow subsidiaries *(Note 15 and (i))*	**583,095**	803,008
Interest payable to Parent Company	**46,665**	44,917
Loans from Parent Company *(Note 22)*	**4,570,116**	6,279,401

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Balances with related parties (Continued)

(i) The amounts due from and to CAHC and its fellow subsidiaries and the Company's jointly controlled entity are unsecured and interest free and repayable within the next twelve months, except for the non-current portion of trade and other receivables from CAHC and its fellow subsidiary.

(ii) The deposits were entered into in accordance with the terms as set out in the respective agreements. The interest rates were set at prevailing market rates.

(b) Transactions with related parties

	2011	2010
	RMB'000	*RMB'000*
Transactions with CAHC, its fellow subsidiaries and a jointly controlled entity		
Revenues:		
Concessions from subsidiaries and a jointly controlled entity of CAHC	**1,602,368**	1,332,385
Rental income from subsidiaries and a jointly controlled entity of CAHC for leasing of premises, office space and counters	**222,325**	215,233
Management fee from CAHC	**19,800**	20,004

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

	2011	2010
	RMB'000	*RMB'000*
Expenses:		
Provision of utilities and power supply by a subsidiary of CAHC	**534,269**	545,595
Provision of aviation safety, security guard and taxi management services by a subsidiary of CAHC	**356,523**	363,505
Provision of certain sanitary services, baggage cart management services and greening and environmental maintenance services by a subsidiary of CAHC	**171,094**	169,288
Provision of accessorial power and energy services by a subsidiary of CAHC	**95,489**	94,844
Leasing expenses paid to CAHC and a subsidiary of CAHC	**89,089**	92,734
Provision of airport guidance service by a subsidiary of CAHC	**22,210**	21,549
Provision of maintenance services and consultation services from subsidiaries of CAHC	**5,773**	2,316
Provision of airfield maintenance services from a subsidiary of CAHC	**5,820**	5,695
Provision of employee canteen services from a subsidiary of CAHC	**4,000**	—
Provision of beverage service by a subsidiary of CAHC	**3,583**	3,220
Interest charges on loans from Parent Company *(Note 26)*	**171,568**	184,453

34 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

	2011 *RMB'000*	2010 *RMB'000*
Other:		
Provision of construction service from subsidiaries of CAHC	**108,965**	36,356
Transactions with the jointly controlled entity of the Company		
Provision of terminal maintenance services	**305,137**	165,257

These transactions of revenues and expenses in nature conducted based on terms as set out in the underlying agreements, based on statutory rates or market prices or actual cost incurred, or as mutually agreed between the Company and the parties in concern.

(c) Key management compensation

	2011 *RMB'000*	2010 *RMB'000*
Salaries, allowances and other benefits	**8,274**	3,848

In the amended Articles of Association approved by the annual general meeting of the Company held on 15 June 2011, the definition of the term "assistant manager" was extended from "assistant general manager" to "deputy general manager", "assistant general manager" and "vice president" of the Company. As a result, the scope of the key management was also enlarged accordingly.

Company Information

PRINCIPAL INFORMATION OF THE COMPANY

Registered name:	北京首都國際機場股份有限公司
English name:	Beijing Capital International Airport Company Limited
First registration date:	15 October 1999
Registered address:	Capital Airport, Beijing, the People's Republic of China
Principal address of business in Hong Kong:	21/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong
Legal representative:	Mr. Dong Zhiyi
Company secretary:	Mr. Shu Yong
Contact for the Company's news and information:	Secretariat to the Board
Major bank:	Bank of China Industrial and Commercial Bank of China
Auditor:	PricewaterhouseCoopers

BOARD OF DIRECTORS

Executive Directors

Dong Zhiyi *(Chairman)*
Zhang Guanghui *(General Manager)*

Non-executive Directors

Chen Guoxing
Gao Shiqing
Yao Yabo
Zhang Musheng
Lau Eng Boon
Yam Kum Weng

Company Information (Continued)

Independent Non-executive Directors

Japhet Sebastian Law
Wang Xiaolong
Jiang Ruiming
Liu Guibin

COMMITTEES

Audit Committee

Liu Guibin *(Chairman)*
Japhet Sebastian Law
Wang Xiaolong
Jiang Ruiming

Remuneration and Evaluation Committee

Japhet Sebastian Law *(Chairman)*
Wang Xiaolong
Jiang Ruiming
Liu Guibin

Nomination Committee

Jiang Ruiming *(Chairman)*
Japhet Sebastian Law
Wang Xiaolong
Liu Guibin
Dong Zhiyi
Zhang Guanghui

Strategy Committee

Dong Zhiyi *(Chairman)*
Zhang Guanghui
Chen Guoxing
Gao Shiqing
Yao Yabo
Zhang Musheng
Wang Xiaolong

SHAREHOLDER INFORMATION

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Fax number:	8610 6450 7700
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Zip Code:	100621
Registrar and Transfer Office:	Hong Kong Registrars Limited 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

FINANCE CALENDAR OF 2011

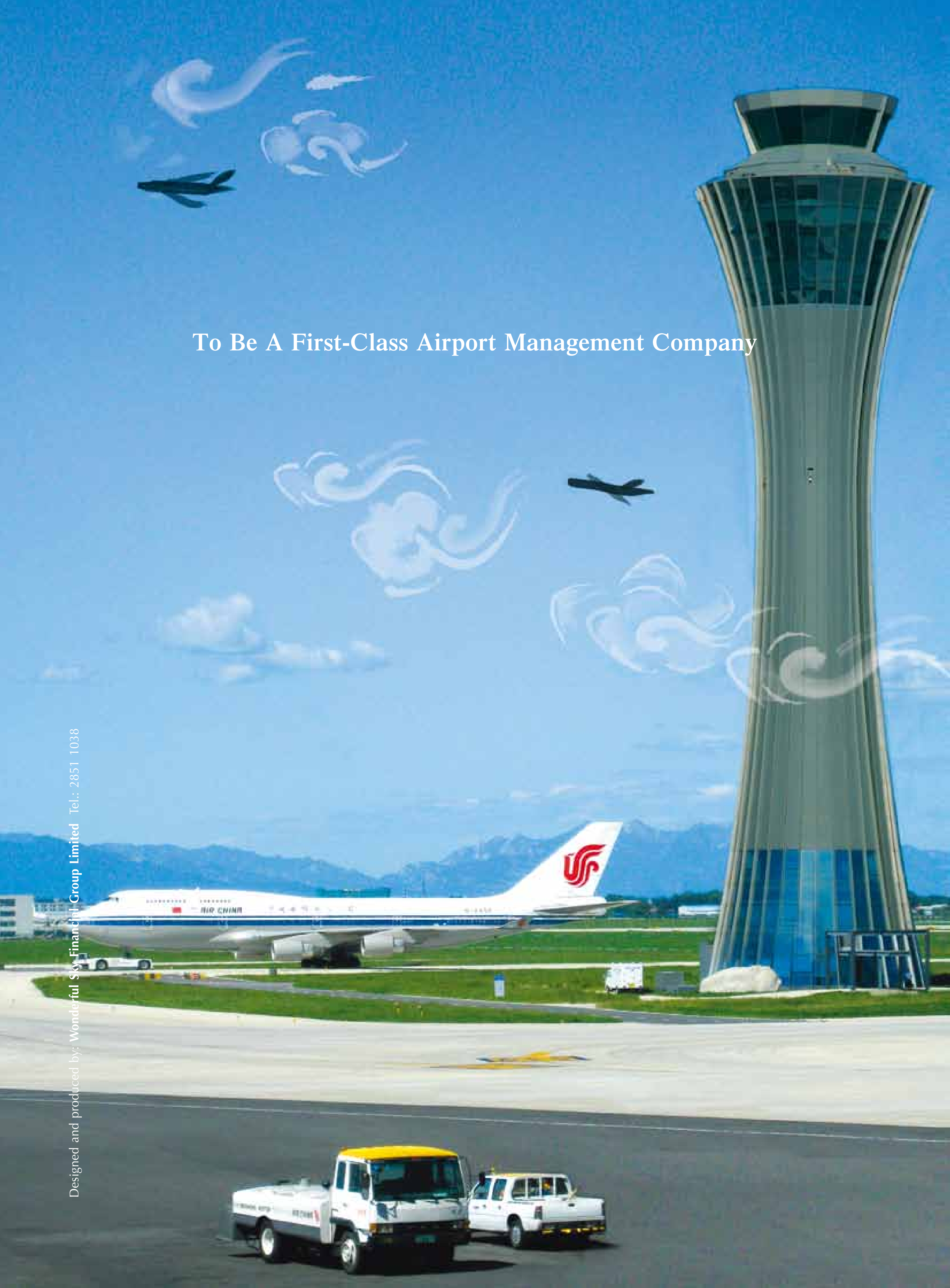
Announcement of interim results:	19 August 2011
Announcement of final results:	30 March 2012
Book closing dates for AGM:	8 May 2012-7 June 2012
Date of 2011 AGM:	7 June 2012

SHARE INFORMATION

Name of H shares:	Beijing Airport
Stock code:	00694

Price and Turnover History

Year	Price per share		
2011	High *(HK$)*	Low *(HK$)*	Turnover of share *(in millions)*
January	4.72	4.08	190.0
February	4.26	3.83	106.0
March	4.24	3.85	119.1
April	4.20	3.82	107.0
May	3.88	3.13	85.4
June	3.69	3.96	95.4
July	3.78	3.31	68.0
August	3.78	3.06	111.2
September	3.73	2.79	77.2
October	3.60	2.91	55.0
November	3.67	3.20	67.3
December	3.91	3.64	70.1



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BEIJING CAPITAL INTERNATIONAL AIRPORT COMPANY LIMITED

(A sino-foreign joint stock limited company incorporated in the People's Republic of China)

Stock Code: 0694

Capital Airport, Beijing, the People's Republic of China (100621)

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