

2012



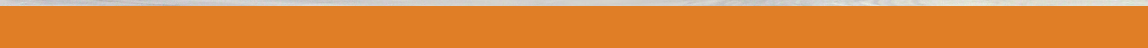
## Interim Report



### Beijing Capital International Airport Company Limited

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

Stock Code : 0694



The board of directors (the “Board”) of Beijing Capital International Airport Company Limited (the “Company”) is pleased to announce the operating results and unaudited financial results which have been reviewed by the audit committee of the Company (the “Audit Committee”) for the first half of year of 2012 and the prospect of the second half year of 2012.

## SUMMARY OF FINANCIAL RESULTS

All amounts are expressed in thousands of Renminbi (“Rmb”) except per share data

<b>Unaudited</b>			
<b>For the six months ended</b>			
<b>30 June</b>			
	<b>2012</b>	2011	Change
Revenues	<b>3,356,793</b>	3,109,356	8.0%
Operating expenses	<b>(2,150,888)</b>	(1,992,257)	8.0%
EBITDA	<b>1,863,155</b>	1,810,244	2.9%
Profit attributable to shareholders	<b>579,522</b>	514,206	12.7%
Earnings per share			
— basic and diluted (RMB)	<b>0.134</b>	0.119	12.7%
	<b>Unaudited As at 30 June 2012</b>	Audited As at 31 December 2011	Change
Total assets	<b>33,397,092</b>	33,899,129	-1.5%
Total liabilities	<b>18,534,136</b>	19,427,483	-4.6%
Total equity	<b>14,862,956</b>	14,471,646	2.7%

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW OF THE AERONAUTICAL BUSINESS

In the first half year of 2012, as affected by the international political and economic environment, the global economy witnessed a notable slowdown. Under the pressure of the downturn of domestic economy, the growth rate of Chinese economy continued to fall back. In the first half of the year, China’s GDP growth rate increased by 7.8% year on year, hitting the lowest point in the last three years. As a result, the domestic civil aviation industry as a whole saw a year on year decline in terms of each of the total transport turnover, passenger throughput and cargo and mail throughput.

Under these circumstances, the Beijing Capital Airport, relying on its strategic position, location advantages and relatively stable market demands, remained on the track of steady and robust development. Through on-going improvement of operation and management, the Company secured a stable growth in revenue and profit.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### OVERVIEW OF THE AERONAUTICAL BUSINESS (Continued)

In the first half year of 2012, the air traffic flow at the Beijing Capital Airport maintained steady growth. The cumulative aircraft movements reached 271,780 sorties, representing an increase of 4.1% as compared with the same period of the previous year. The cumulative passenger throughput reached 39,381,780 person-times, representing an increase of 4.0% as compared with the same period of the previous year. The cumulative cargo and mail throughput reached 827,366 tonnes, representing an increase of 7.4% as compared with the same period of the previous year. Detailed information is set out in the table below:

	For the six months ended 30 June		
	2012	2011	Change
Aircraft Movements ( <i>unit: sorties</i> )	<b>271,780</b>	261,146	4.1%
including: Domestic	<b>212,233</b>	206,261	2.9%
International, Hong Kong, Macau & Taiwan	<b>59,547</b>	54,885	8.5%
Passenger Throughput* ( <i>unit: person-times</i> )	<b>39,381,780</b>	37,879,677	4.0%
including: Domestic	<b>30,184,580</b>	29,723,531	1.6%
International, Hong Kong, Macau & Taiwan	<b>9,197,200</b>	8,156,146	12.8%
Cargo and mail throughput ( <i>unit: tonnes</i> )	<b>827,366</b>	770,705	7.4%
including: Domestic	<b>459,104</b>	428,968	7.0%
International, Hong Kong, Macau & Taiwan	<b>368,262</b>	341,737	7.8%

\* 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 at the end of 2011, as the standard for distinguishing international (excluding regional) passengers from domestic passengers shifted from routes to segment. Save otherwise stated, the segment-based statistics rules will be adopted in the future.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### AERONAUTICAL REVENUES

	Unaudited For the six months ended 30 June		
	2012 RMB'000	2011 RMB'000	Change
Passenger charges	<b>767,079</b>	731,473	4.9%
Aircraft movement fees and related charges	<b>672,276</b>	611,980	9.9%
Airport construction fees	<b>241,298</b>	481,579	-49.9%
Civil aviation development fund	<b>259,411</b>	—	N/A
Total aeronautical revenues	<b>1,940,064</b>	1,825,032	6.3%
less: Business tax and levies	<b>64,022</b>	59,131	8.3%
Aeronautical revenues, net of business tax and levies	<b>1,876,042</b>	1,765,901	6.2%

In the first half year of 2012, the total aeronautical revenues of the Company were RMB1,940,064,000, representing an increase of 6.3% as compared with the same period of the previous year.

In the first half year of 2012, revenues from passenger charges were RMB767,079,000, representing an increase of 4.9% as compared with the same period of the previous year, which generally corresponded to the growth rate of passenger throughput. Pursuant to the "Notice regarding the Issuance of Levy and Utilisation Methods of Civil Aviation Development Fund (the "Civil Aviation Development Fund")" issued by the Ministry of Finance of the PRC, with effect from 1 April 2012, the former airport construction fee and fundamental infrastructure construction fund have been combined into the Civil Aviation Development Fund. In the first half year of 2012, the revenues from the airport construction fee together with the civil aviation development fund were RMB500,709,000 in aggregate, representing an increase of 4.0% as compared with the same period of the previous year, which generally corresponded to the growth rate of passenger throughput.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### AERONAUTICAL REVENUES (Continued)

In the first half year of 2012, revenues from aircraft movement fees and related charges were RMB672,276,000, representing an increase of 9.9% as compared with the same period of the previous year and well outpacing the growth rate of aircraft movements, which was mainly due to the rapid growth in international routes and a higher proportion of large airliners for both domestic and international routes, as well as the fact that in accordance with the related charging standards for civil airports, the aircraft movement fees and related charges for international routes were higher than those for domestic routes and the single sortie charges for large airliners were higher than those for small airliners of the same routes.

### NON-AERONAUTICAL REVENUES

	<b>Unaudited</b>		
	<b>For the six months ended 30 June</b>		
	<b>2012</b>	2011	Change
	<b>RMB'000</b>	RMB'000	
Concessions	<b>978,121</b>	877,161	11.5%
including: Advertising	<b>414,028</b>	322,412	28.4%
Retailing	<b>412,726</b>	339,840	21.4%
Ground handling	<b>66,358</b>	141,586	-53.1%
Restaurants and food shops	<b>53,125</b>	49,698	6.9%
VIP services	<b>6,734</b>	—	N/A
Others	<b>25,150</b>	23,625	6.5%
Rentals	<b>400,431</b>	372,341	7.5%
Car parking fees	<b>27,610</b>	22,057	25.2%
Others	<b>10,567</b>	12,765	-17.2%
<b>Total non-aeronautical revenues</b>	<b>1,416,729</b>	1,284,324	10.3%
less: Business tax and levies	<b>88,881</b>	75,968	17.0%
<b>Non-aeronautical revenues, net of business tax and levies</b>	<b>1,327,848</b>	1,208,356	9.9%

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### NON-AERONAUTICAL REVENUES (Continued)

In the first half year of 2012, the total non-aeronautical revenues of the Company were RMB1,416,729,000, representing an increase of 10.3% as compared with the same period of the previous year.

In the first half year of 2012, the concession revenues of the Company were RMB978,121,000, representing an increase of 11.5% as compared with the same period of the previous year. Among which, benefiting from the continuous expansion of advertisement resources in the second half of 2011 and the first half of 2012, the concession revenues from advertising reached RMB414,028,000, representing an increase of 28.4% as compared with the same period of the previous year. Benefiting from the retailing income growth as driven by the rapid growth of passenger throughput (especially passengers of the international and Hong Kong, Macau and Taiwan routes) and the continuous sales increase in the arrival duty-free areas of Terminal 3 which was newly opened at the beginning of 2011, the concession revenues from retailing reached RMB412,726,000, representing an increase of 21.4% as compared with the same period of the previous year. The concession revenues from ground handling service were RMB66,358,000, representing a decrease of 53.1% as compared with the same period of the previous year, which was mainly because in the same period of the previous year, the Company reached agreement with an airline company undertaking relevant business at the Beijing Capital Airport and received from this company concessions fees related to the ground handling service for the years of 2009 and 2010. The concession revenues from restaurants and food shops were RMB53,125,000, representing an increase of 6.9% as compared with the same period of the previous year, which mainly resulted from the increase in passenger throughput. From 1 June 2012, the Company adopted a franchise business model for the commercial areas previously leased to Capital Airport VIP Services Management Company Limited, and accordingly recorded concession revenues from VIP services of RMB6,734,000 in the first half of the year. Other concession revenues were RMB25,150,000, representing an increase of 6.5% as compared with the same period of the previous year, which was mainly due to the increase in relevant demand as a result of the growth in passenger throughput.



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### NON-AERONAUTICAL REVENUES (Continued)

In the first half year of 2012, the rental income of the Company was RMB400,431,000, representing an increase of 7.5% as compared with the same period of the previous year. This was mainly due to the increase in air traffic flow which led to an increase in counters and floor areas within the terminals and use of facilities and equipment and systems as required by the airline companies and other customers.

In the first half year of 2012, the car parking service fees of the Company were RMB27,610,000, representing an increase of 25.2% as compared with the same period of the previous year, mainly due to a rise in the traffic volume of vehicles and an increase in the parking time of each vehicle.

In the first half year of 2012, the other revenues of the Company were RMB10,567,000, representing a decrease of 17.2% as compared with the same period of the previous year. The other revenues mainly included entrusted management service fees and revenues from provision of certificate handling services in the terminals.

### OPERATING EXPENSES

	Unaudited For the six months ended 30 June		
	2012	2011	Change
Depreciation and amortisation	<b>756,379</b>	750,901	0.7%
Utilities and power	<b>296,789</b>	277,589	6.9%
Repairs and maintenance	<b>272,588</b>	209,669	30.0%
Staff costs	<b>209,000</b>	199,278	4.9%
Aviation safety and security guard costs	<b>190,340</b>	176,963	7.6%
Operating contracted services	<b>113,307</b>	92,539	22.4%
Greening and environmental maintenance	<b>95,233</b>	88,400	7.7%
Real estate and other taxes	<b>74,052</b>	74,998	-1.3%
Rental expenses	<b>43,130</b>	53,735	-19.7%
Other costs	<b>100,070</b>	68,185	46.8%
Total operating expenses	<b>2,150,888</b>	1,992,257	8.0%

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### OPERATING EXPENSES *(Continued)*

In the first half year of 2012, the operating expenses of the Company were RMB2,150,888,000, representing an increase of 8.0% as compared with the same period of the previous year.

In the first half year of 2012, the depreciation and amortisation expenses of the Company were RMB756,379,000, representing a slight increase of 0.7% as compared with the same period of the previous year.

In the first half year of 2012, the utilities and power expenses of the Company were RMB296,789,000, representing an increase of 6.9% as compared with the same period of the previous year, mainly due to the extended duration of heat supply during the reporting period and a rise in the tariff of electricity for non-residential use as adjusted by Beijing Municipal Commission of Development and Reform in December 2011.

In the first half year of 2012, the repairs and maintenance expenses of the Company were RMB272,588,000, representing an increase of 30.0% as compared with the same period of the previous year. Such significant increase in repairs and maintenance expenses was mainly due to the comprehensive maintenance to be carried out to the baggage handling systems, automated people mover systems and other facilities in Terminal 3 during the reporting period as such facilities had been in operation for five years.

In the first half year of 2012, the staff costs of the Company were RMB209,000,000, representing an increase of 4.9% as compared with the same period of the previous year.

In the first half year of 2012, the aviation safety and security guard costs of the Company were RMB190,340,000, representing an increase of 7.6% as compared with the same period of the previous year.

In the first half year of 2012, the operating contracted services costs of the Company were RMB113,307,000, representing an increase of 22.4% as compared with the same period of the previous year. The noticeable increase in operating contracted services costs was mainly because the Company entrusted Beijing Capital Airport Property Management Company Limited to be responsible for the operation and management services in respect of the car park in the west district of the Beijing Capital Airport since April 2011, and paid the relevant service fees for such entrusted operation and management services.







## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### OPERATING EXPENSES (Continued)

In the first half year of 2012, the greening and environmental maintenance expenses of the Company were RMB95,233,000, representing an increase of 7.7% as compared with the same period of the previous year, mainly due to the increase in labour costs and materials costs along with market prices.

In the first half year of 2012, the real estate and other taxes of the Company were RMB74,052,000, representing a decrease of 1.3% as compared with the same period of the previous year.

In the first half year of 2012, the rental expenses of the Company were RMB43,130,000, representing a decrease of 19.7% as compared with the same period of the previous year, mainly because the Company reduced the amount of leased properties based on its business needs.

In the first half year of 2012, the other costs of the Company were RMB100,070,000, representing an increase of 46.8% as compared with the same period of the previous year, which was mainly due to the provision for bad debts against long-aged trade receivables with risks in their collection made in accordance with relevant accounting policy and the payment of service charges to CAAC Clearing Center for settlement of aircraft movement fees and other related charges from domestic airlines during the reporting period.

### OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012, other income of the Company was RMB57,856,000, which mainly included the proceeds from disposal of the warehouse assets in the north district by the Company and the government subsidies received by the Company during the reporting period.

For the six months ended 30 June 2012, the net finance costs of the Company after deducting of finance income were RMB341,549,000.

For the six months ended 30 June 2012, the income tax expense of the Company was RMB192,635,000.

## PROSPECT FOR THE SECOND HALF YEAR OF 2012

Viewing as a whole, there will still be considerable downward pressure on the macro economy in the second half year of 2012, which will restrain travel demands and the growth of the whole aviation industry to certain extent. Notwithstanding this, with the replenishment of operating resources at the Beijing Capital Airport as well as the Company's continuous efforts to develop the aviation market, the air traffic volume of the Beijing Capital Airport is expected to maintain steady growth.

Since the commencement of operation of the Beijing-Shanghai high-speed railway on 30 June 2011, the Beijing-Shanghai high-speed railway has been in operation for a year and its diversion impact on the travelling volume between Beijing and cities such as Shanghai and Nanjing has gradually stabilised and was limited. In the second half year of 2012, the Company will actively deepen relevant measures to further consolidate the market of Beijing-Shanghai route.

The Company will keep focusing on the strategic goal of hub construction by continuing to deepen communication mechanisms, develop cooperation platforms and optimize the replenishment of resources in the second half year of 2012. The Company will exert full efforts to procure the realization of the policy which allows 72-hours transit without visa so as to further enhance its attraction to international travellers. The Company will advance the reconstruction of Terminal 2 as scheduled, and complete the preparation for the launch of T3-D to ensure that it is equipped with the necessary operation conditions before the end of the year, so as to further enhance the facility capacity at the Beijing Capital Airport.

In the second half year of 2012, in response to the increasingly complicated operational conditions, the Company will keep enhancing its security management, further raise its capability in operation assurance as well as service quality and deepen the promotion of its brand value and the concept of "Enjoy the Service, Enjoy the Experience".

In the second half year of 2012, the Company will promote refined management, further enhance the value of its existing commercial resources and strive to develop new concession businesses so as to maintain the fast growth momentum of its non-aeronautical business. Meanwhile, the Company will maintain its strict control on costs, continue to enhance the consciousness of all staff in cost management and boost the steady growth of its operating profit through further improving its management practices.





## PROSPECT FOR THE SECOND HALF YEAR OF 2012 *(Continued)*

In July 2012, the State Council issued the “Opinions of the State Council on Promoting the Development of the Civil Aviation Industry (《國務院關於促進民航業發展的若干意見》)” (the “Opinions”), specifying the general requirements, major tasks and policies and measures for promoting the development of aviation industry and putting forward the goal of building a safe, convenient, efficient and green modern civil aviation system. As the first important guideline for the civil aviation industry issued by the State Council ever since the founding of the PRC, the unveiling of the Opinions will effectively prop up the steady implementation of the “Strong Civil Aviation Country” strategy and a further boom in civil aviation industry. The Opinions is also of important guiding significance for building the Beijing Capital Airport into a large, fully functional and globally-connected international hub. The Company will conduct an in-depth study on the relevant requirements set out in the Opinions, and strive to grasp opportunities emerging during the process of Beijing’s developing into an international metropolis, so as to promote the building of the Beijing Capital Airport into an air transport hub and play an active role in creating the economic chain of aviation industry and forming an aviation industry cluster in the Beijing-Tianjin-Hebei region.

According to the notice jointly issued by the Ministry of Finance and the State Administration of Taxation, commencing from 1 September 2012, Beijing will launch the pilot practice of levying value added tax in lieu of business tax on the transportation industry and some modern service industries. The tax reform will have certain impact on the future operating results and financial position of the Company. The Company will further enhance communication with relevant governmental authorities in respect of the particulars of the policy and proactively seek for corresponding policy support. Meanwhile, the Company will closely monitor the adjustment trend of the charging policy for “domestic airlines operating international routes” and actively procure an early implementation of unification of charges and rates, striving for a growth in its aeronautical revenue.

In the second half year of 2012, the Company will continue to follow up the preliminary construction work of the new airport in Beijing in all respects and actively proceed with the relevant research and assessment work, so as to make prudential decisions on the strategy to be adopted by the Company for the Beijing new airport project.

## INTERIM DIVIDENDS

The Board of the Company resolved to distribute the interim dividends of RMB0.04 per share for the six months ended 30 June 2012, amounting to the total sum of approximately RMB173,236,000. (The interim dividends distributed for 2011: RMB0.01781 per share, amounting to a total sum of approximately RMB77,133,000)

Pursuant to the Company's articles of association, dividends payable to holders of domestic shares will be paid in RMB, while dividends payable to holders of H shares will be paid in Hong Kong dollar. The dividends payable in Hong Kong dollar will be calculated basing on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China over a period of one calendar week prior to the declaration of the dividends. During such period (from 13 August 2012 to 17 August 2012), the average exchange rate of RMB to Hong Kong dollar was HK\$1.00 = RMB0.81819. Accordingly, the amount of the interim dividends for each H share of the Company for the six months ended 30 June 2012 is HK\$0.04889.

The register of members of the Company will be temporarily closed from Friday, 14 September 2012 to Wednesday, 19 September 2012 (both days inclusive), during which period no transfer of shares will be registered. The interim dividends are expected to be paid on or before Wednesday, 31 October 2012, to the shareholders whose names appear on the register of members on Wednesday, 19 September 2012.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent (the "Receiving Agent") which will receive the 2012 interim dividend declared from the Company on behalf of the H Shareholders. The 2012 interim dividend will be paid by the Receiving Agent on or before 31 October 2012 and the dividend warrants will be posted by the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, by ordinary mail to the holders of H shares who are entitled to receive the dividend at their own risk.

In order to be qualified for the payment of the interim dividends, holders of H shares whose transfers have not been registered are requested to deposit the transfer documents together with the relevant share certificates to the Company's H Share Registrar: Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 13 September 2012.





## **INTERIM DIVIDENDS (Continued)**

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 2012 interim dividend to the non-resident enterprise H share shareholders whose names appear on the register of members for H shares of the Company on the relevant record date, i.e. 19 September 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 2012 interim dividend, after withholding and paying enterprise income tax of 10%.

The Company will withhold and pay enterprise income tax on behalf of its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company’s register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of the above withholding and payment.

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, on the Record Date, no income tax will be required to be withheld and paid by the Company.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2012, the Company had total cash and cash equivalents amounting to RMB1,228,397,000, while the cash and cash equivalents of the Company amounted to RMB948,542,000 as at 31 December 2011.

As at 30 June 2012, the Company’s bank borrowings due within one year were RMB7,500,000,000, and loans from the Parent Company were RMB3,618,824,000.

## **LIQUIDITY AND FINANCIAL RESOURCES (Continued)**

As at 30 June 2012, the Company had unutilised long-term loan facilities totalling RMB11 billion (as at 31 December 2011: RMB11 billion).

As at 30 June 2012, the current ratio of the Company was 25.1%, and that as at 31 December 2011 was 94.3%. Such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates. As at 30 June 2012, the current ratio declined as compared with the previous year, as the Company's long-term bank borrowings amounting to RMB7.5 billion would be due within one year.

As at 30 June 2012, the liability-to-asset ratio of the Company was 55.5%, and that as at 31 December 2011 was 57.3%. Such ratios were computed by dividing the total amount of liabilities by the total assets as at those respective dates.

In the first half year of 2012, the Company's net cash generated from operating activities amounted to RMB1,729,584,000, representing an increase of 13.1% as compared with the same period of the previous year.

In the first half year of 2012, net cash generated from investing activities amounted to RMB64,003,000, while net cash used in investing activities amounted to RMB105,494,000 in the same period of 2011. Such change was mainly due to the proceeds of RMB187,600,000 received by the Company from disposal of the Company's warehouse assets in north district in the first half year of 2012 .

For the six months ended 30 June 2012, the details of the cash flow of the Company are set out in page 29 of the interim report.

## **CHARGE ON ASSETS**

During the six months ended 30 June 2012, there was no material charge on the assets of the Company.

## **MERGER, ACQUISITION AND DISPOSAL**

During the six months ended 30 June 2012, the Company had no merger, acquisition or disposal.





## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

The Company has not purchased, sold or redeemed any of its shares during the six months ended 30 June 2012.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES**

The Company's businesses are principally denominated in RMB, except for part of non-aeronautical revenues, and purchases of certain equipment, goods and materials which are received or paid in US dollars. Dividends payable to the H Shareholders of the Company are declared in RMB and payable in HK dollars.

According to the overall plan of the acquisition of the Phase III Assets\*, as at 30 June 2012, the Company assumed the US dollar-denominated borrowings (USD398,239,000) from the European Investment Bank related to the Phase III Assets and the interest thereof. Accordingly, the fluctuation of the RMB exchange rate against the US dollar will affect the financial results of the Company.

- \* *In 2008, the Company acquired 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").*

During the reporting period, the Company had not carried out any foreign currency hedging activities.

As at 30 June 2012, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB24,974,000 (as at 31 December 2011: RMB59,320,000), trade and other receivables of approximately RMB26,950,000 (as at 31 December 2011: RMB17,587,000), trade and other payables of approximately RMB601,000 (as at 31 December 2011: RMB598,000), and loans from the Parent Company of approximately RMB2,518,824,000 (as at 31 December 2011: RMB2,570,116,000).

During the reporting period, the Company recorded an exchange loss of RMB10,268,000.

## **EXPOSURE TO FLUCTUATIONS IN INTEREST RATES**

The total amount of the non-current portion and current portion of the Company's loans from the Parent Company is RMB3,618,824,000, 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 from the Parent Company at an interest rate with reference to published interbank repo rate issued by China Foreign Exchange Trading Centre & National Interbank Funding Centre. As such, any change in LIBOR and adjustment in interest rates of the People's Bank of China will affect the interest expenses and financial results of the Company.

## **MATERIAL INVESTMENT, MATERIAL INVESTMENT PLAN AND MATERIAL FINANCING PLAN**

During the reporting period, there was no material investment, material investment plan and material financing plan.

## **CONTINGENT LIABILITIES**

Save as disclosed below, the Company had no other significant contingent liabilities as at 30 June 2012.

The Directors of the Company understand that certain residents living in the vicinity of the Beijing Capital Airport have made complaints to the Beijing Municipal Government about the aircraft engine noise created by arriving 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 30 June 2012, the outcome of the above matter was still pending. Any potential financial impact on the Company, if any, will depend on the final resolution of these complaints agreed by the relevant parties involved. Based on the advice of our legal adviser, the Directors are of the opinion that the final amounts of the compensation (if any) will be insignificant to the Company, therefore, no provision has been made in this condensed interim financial information.





## EMPLOYEES AND EMPLOYEES' WELFARE

1. As at 30 June 2012, the number of employees of the Company was as follows, together with the comparative figures for the same date in the previous year:

	<b>As at 30 June 2012</b>	As at 30 June 2011
Number of employees	<b>1,576</b>	1,549

The remuneration policy of employees of the Company is determined by the management based on market practice. A position performance-based salary regime is adopted on the basis of position value and centred on performance evaluation. The remuneration system, under dynamic management, is competitive externally and fair internally, and fulfills 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' basic medical insurance and commercial medical insurance**

With effect from 1 January 2003, the Company and its certain subsidiaries have implemented the regulations of basic medical insurance in accordance with the requirements of the Beijing Municipal Government. 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 may on a voluntary basis provide supplemental medical insurance benefits to its employees on certain amount within 4% of the average monthly salaries of its employees in the previous year. Meanwhile, the Company no longer pays cash medical subsidies or medical compensations to its employees. As such, implementation of the aforesaid medical insurance regulations will not have any material effects on the balance sheet or statement of comprehensive income of the Company.

3. **Retirement annuity plan**

On 30 June 2011, the Company obtained approval from the relevant government authority on a retirement annuity plan (the "annuity plan") effective from 1 January 2011. The details are set out in Note 16 to the condensed interim financial information.

## MATERIAL LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the reporting period.

## ENTRUSTED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 30 June 2012, the Company did not have any entrusted deposits or uncollected fixed deposits upon maturity placed with any financial institutions or any other entities.

## CAPITAL STRUCTURE AND CHANGES

### 1. Capital Structure

As at 30 June 2012, the total number of issued share capital of the Company was 4,330,890,000 shares, including:

	<b>Number of shares</b>	<b>Percentage to total issued share capital</b>
Domestic shares	2,451,526,000	56.61%
H shares	1,879,364,000	43.39%



## CAPITAL STRUCTURE AND CHANGES *(Continued)*

### 2. Interests and short position of substantial shareholders and other persons

As at 30 June 2012, 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 interested	Capacity	Percentage of Shareholding to the relevant class	Percentage to the total issued shares
Capital Airports Holding Company <i>(note 1)</i>	Domestic shares	2,451,526,000 (L)	Beneficial owner	100%	56.61%
Government of Singapore Investment Corporation Pte Ltd <i>(note 2)</i>	H shares	396,074,000 (L)	Investment Manager	21.07%	9.15%
BlackRock, Inc. <i>(note 3)</i>	H shares	124,311,196 (L) 2,847,019 (S)	Interest of corporation controlled by the substantial shareholder	6.61% 0.15%	2.87% 0.07%
The Northern Trust Company (ALA) <i>(note 4)</i>	H shares	0 (L) 411,728,738 (P)		0.00% 21.91%	0.00% 9.51%

(L) = Long Position

(S) = Short Position

(P) = Lending Pool

## CAPITAL STRUCTURE AND CHANGES *(Continued)*

### 2. Interests and short position of substantial shareholders and other persons *(Continued)*

*Notes:*

1. 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 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.

2. The registered office of Government of Singapore Investment Corporation Pte Ltd is in Singapore.
3. The registered office of BlackRock, Inc. is in New York, the US.
4. The registered office of The Northern Trust Company (ALA) is in Chicago, the US.

## SHORT POSITION IN SHARES

According to the register required to be kept by the Company under Section 336 of the SFO, as at 30 June 2012, there were no other people or substantial shareholders holding any short positions in the shares and underlying shares of the Company save as disclosed above.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 30 June 2012.





## **INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES AND THEIR SECURITIES TRANSACTIONS**

As at 30 June 2012, none of the directors or the supervisors or the chief executives of the Company had any interests or short positions in any shares, any underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). None of the directors, the supervisors and the chief executives of the Company, or their associates had been granted or had exercised any such rights during the six months ended 30 June 2012.

### **AUDIT COMMITTEE**

The Audit Committee of the Company was established on 10 January 2000. On 15 June 2011, the fifth session of the Board of the Company reappointed the members of the Audit Committee whose term will expire on the date of the 2013 annual general meeting. At present, the Audit Committee is composed of four independent non-executive directors, namely, Mr. Liu Guibin (chairman of the Audit Committee, Certified Public Accountant and one of the first group of senior members (practicing) of CICPA), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong and Mr. Jiang Ruiming.

The Audit Committee fulfills its supervisory responsibility as delegated by the Board through examining matters relating to financial reporting, internal control procedures, and considering auditing issues. The Audit Committee shall meet at least twice a year to review auditors’ reports, the status of the Company’s audits, internal auditing reports, and the interim and annual accounts of the Company prior to making recommendation to the Board for approval.

The Audit Committee is responsible for the review and evaluation of the Company’s internal control system and risk management level.

The Audit Committee has reviewed the Company’s condensed interim financial information for the six months ended 30 June 2012, as well as the accounting principles and methods adopted by the Company. The Audit Committee considers that the disclosure of the financial information in the unaudited condensed interim financial information and in the interim report complies with the applicable accounting standards and the relevant requirements of the Listing Rules and the laws of Hong Kong.

## **CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In 2011, the Hong Kong Stock Exchange made amendments to the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Listing Rules. Such newly amended Code took effect on 1 January 2012 and 1 April 2012, respectively.

The Company confirms that it has complied with all the code provisions set out in the former Code during the period from 1 January 2012 to 31 March 2012, and has complied with all of the code provisions set out in the amended Code during the period from 1 April 2012 to 30 June 2012 except for the Code provisions in relation to the matter set out below.

In respect of Code provision A.6.7 of the amended Code, the Company held its 2011 annual general meeting on 7 June 2012. Mr. Japhet Sebastian Law, an independent non-executive director, attended the meeting while other members of the Board were absent due to other business engagements. Matters considered at the meeting are all regular matters and all resolutions were smoothly passed at the meeting. After the meeting, the Company dispatched the meeting minutes to all members of the Board to keep the absent directors informed about proposals resolved during the meeting.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has formulated “the Code for Securities Transactions by Directors and Staff” at terms no less exacting than the required standard of the Model Code. For the six months ended 30 June 2012, the Company strictly implemented the Code for Securities Transactions by Directors and Staff.

Having made specific enquiries to the directors, supervisors and chief executives of the Company, the Company has confirmed that each of them has complied with the Model Code during the six months ended 30 June 2012.



## BOARD OF DIRECTORS



The fifth session of the Board of the Company consists of twelve directors, including two executive directors, six non-executive directors and four independent non-executive directors. In compliance with the Listing Rules, the Company has no less than three independent non-executive directors which represents at least one-third of the Board, 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 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 of the annual general meeting of the Company for 2013. There are four committees under the Board, including the Strategy Committee, the Remuneration and Evaluation Committee, the Nomination Committee and the Audit Committee.

The members of the Board are as follows:

Mr. Dong Zhiyi	Chairman, executive director
Mr. Zhang Guanghui	General Manager, executive director
Mr. Chen Guoxing	Non-executive Director
Mr. Gao Shiqing	Non-executive Director
Mr. Yao Yabo	Non-executive Director
Mr. Zhang Musheng	Non-executive Director
Mr. Lau Eng Boon	Non-executive Director
Mr. Mr. Yam Kum Weng	Non-executive Director
Mr. Japhet Sebastian Law	Independent Non-executive Director
Mr. Wang Xiaolong	Independent Non-executive Director
Mr. Jiang Ruiming	Independent Non-executive Director
Mr. Liu Guibin	Independent Non-executive Director

## INTERIM BALANCE SHEET

AS AT 30 JUNE 2012

	<i>Note</i>	<b>Unaudited As at 30 June 2012 RMB'000</b>	Audited As at 31 December 2011 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	<b>29,990,477</b>	30,660,155
Land use rights		<b>707,244</b>	715,396
Intangible assets		<b>48,625</b>	61,421
Investment in a jointly controlled entity		<b>57,312</b>	54,464
Non-current portion of trade and other receivables	8	<b>61,219</b>	55,531
		<b>30,864,877</b>	31,546,967
<b>Current assets</b>			
Inventories		<b>146,555</b>	129,801
Trade and other receivables	8	<b>1,157,263</b>	1,060,858
Cash and cash equivalents		<b>1,228,397</b>	948,542
Assets held for sale	9	<b>2,532,215</b> —	2,139,201 212,961
		<b>2,532,215</b>	2,352,162
<b>Total assets</b>		<b>33,397,092</b>	33,899,129





## INTERIM BALANCE SHEET (Continued)

AS AT 30 JUNE 2012

	Note	Unaudited As at 30 June 2012 RMB'000	Audited As at 31 December 2011 RMB'000
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	10	4,330,890	4,330,890
Share premium		5,055,425	5,055,425
Capital reserve	11(a)	621,520	552,650
Statutory and discretionary reserves	11(b)	2,544,329	2,321,530
Retained earnings		2,310,792	2,211,151
<b>Total equity</b>		<b>14,862,956</b>	14,471,646
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank borrowings	14	—	7,500,000
Bonds payable	15	4,883,744	4,881,695
Deferred income tax liabilities		34,610	23,680
Retirement benefit obligations	16	33,331	94,769
Deferred income		12,375	2,549
Loans from Parent Company	17	3,478,889	4,431,191
		<b>8,442,949</b>	16,933,884

## INTERIM BALANCE SHEET (Continued)

AS AT 30 JUNE 2012

	<i>Note</i>	<b>Unaudited As at 30 June 2012 RMB'000</b>	Audited As at 31 December 2011 RMB'000
<b>Current liabilities</b>			
Trade and other payables	13	<b>2,270,539</b>	2,027,502
Interest payable		<b>138,088</b>	260,313
Current income tax liabilities		<b>37,123</b>	61,760
Current portion of long-term bank borrowings	14	<b>7,500,000</b>	—
Current portion of retirement benefit obligations	16	<b>5,502</b>	5,099
Current portion of loans from Parent Company	17	<b>139,935</b>	138,925
		<b>10,091,187</b>	2,493,599
<b>Total liabilities</b>		<b>18,534,136</b>	19,427,483
<b>Total equity and liabilities</b>		<b>33,397,092</b>	33,899,129
<b>Net current liabilities</b>		<b>(7,558,972)</b>	(141,437)
<b>Total assets less current liabilities</b>		<b>23,305,905</b>	31,405,530

The notes on pages 30 to 58 form an integral part of the condensed interim financial information.



## INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		<b>Unaudited</b>	
		<b>For the six months</b>	
		<b>ended 30 June</b>	
	<i>Note</i>	<b>2012</b>	2011
		<b>RMB'000</b>	RMB'000
Revenues			
Aeronautical	6	<b>1,940,064</b>	1,825,032
Non-aeronautical	6	<b>1,416,729</b>	1,284,324
		<b>3,356,793</b>	3,109,356
Business tax and levies			
Aeronautical		<b>(64,022)</b>	(59,131)
Non-aeronautical		<b>(88,881)</b>	(75,968)
		<b>(152,903)</b>	(135,099)
Operating expenses			
Depreciation and amortisation		<b>(756,379)</b>	(750,901)
Utilities and power		<b>(296,789)</b>	(277,589)
Repairs and maintenance		<b>(272,588)</b>	(209,669)
Staff costs		<b>(209,000)</b>	(199,278)
Aviation safety and security guard costs		<b>(190,340)</b>	(176,963)
Operating contracted services		<b>(113,307)</b>	(92,539)
Greening and environmental maintenance		<b>(95,233)</b>	(88,400)
Real estate and other taxes		<b>(74,052)</b>	(74,998)
Rental expenses		<b>(43,130)</b>	(53,735)
Other costs		<b>(100,070)</b>	(68,185)
		<b>(2,150,888)</b>	(1,992,257)
Other income	18	<b>57,856</b>	11,068

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

*(Continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		<b>Unaudited</b>	
		<b>For the six months</b>	
		<b>ended 30 June</b>	
	<i>Note</i>	<b>2012</b>	2011
		<b>RMB'000</b>	<i>RMB'000</i>
<b>Operating profit</b>		<b>1,110,858</b>	993,068
Finance income	19	<b>4,727</b>	65,590
Finance costs	19	<b>(346,276)</b>	(374,510)
		<b>(341,549)</b>	(308,920)
Share of post-tax profit of a jointly controlled entity		<b>2,848</b>	1,917
<b>Profit before income tax</b>		<b>772,157</b>	686,065
Income tax expense	20	<b>(192,635)</b>	(171,859)
<b>Profit for the period</b>		<b>579,522</b>	514,206
<b>Total comprehensive income for the period</b>		<b>579,522</b>	514,206
Earnings per share, basic and diluted ( <i>RMB</i> )	21	<b>0.134</b>	0.119
<b>Dividends</b>			
Interim dividend declared	12	<b>173,236</b>	77,133

The notes on pages 30 to 58 form an integral part of the condensed interim financial information.



# INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Unaudited						
	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
<b>Balance at 1 January 2012</b>		4,330,890	5,055,425	552,650	2,321,530	2,211,151	14,471,646
Total comprehensive income for the period		–	–	–	–	579,522	579,522
2011 final dividend		–	–	–	–	(257,082)	(257,082)
Cash contribution from Parent Company	11(a)	–	–	68,870	–	–	68,870
Transfer to statutory and discretionary reserves	11(b)	–	–	–	222,799	(222,799)	–
<b>Balance at 30 June 2012</b>		4,330,890	5,055,425	621,520	2,544,329	2,310,792	14,862,956
Representing:							
Share capital and reserves		4,330,890	5,055,425	621,520	2,544,329	2,137,556	14,689,720
2012 interim dividend declared	12	–	–	–	–	173,236	173,236
<b>Balance at 30 June 2012</b>		4,330,890	5,055,425	621,520	2,544,329	2,310,792	14,862,956
<b>Balance at 1 January 2011</b>		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Total comprehensive income for the period		–	–	–	–	514,206	514,206
Transfer to statutory and discretionary reserves		–	–	–	118,010	(118,010)	–
<b>Balance at 30 June 2011</b>		4,330,890	5,055,425	552,650	2,210,131	1,799,896	13,948,992
Representing:							
Share capital and reserves		4,330,890	5,055,425	552,650	2,210,131	1,722,763	13,871,859
2011 interim dividend declared		–	–	–	–	77,133	77,133
<b>Balance at 30 June 2011</b>		4,330,890	5,055,425	552,650	2,210,131	1,799,896	13,948,992

The notes on pages 30 to 58 form an integral part of the condensed interim financial information.

## INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		<b>Unaudited</b>	
		<b>For the six months</b>	
		<b>ended 30 June</b>	
	<i>Note</i>	<b>2012</b>	2011
		<b>RMB'000</b>	<i>RMB'000</i>
Net cash from operating activities		<b>1,729,584</b>	1,529,430
Net cash from/(used in) investing activities	24	<b>64,003</b>	(105,494)
Net cash used in financing activities	24	<b>(1,513,847)</b>	(1,523,540)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>279,740</b>	(99,604)
Cash and cash equivalents at 1 January		<b>948,542</b>	882,185
Effect of exchange rate changes		<b>115</b>	(2,186)
<b>Cash and cash equivalents at 30 June</b>		<b>1,228,397</b>	780,395

The notes on pages 30 to 58 form an integral part of the condensed interim financial information.





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2012*

### 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.

This condensed interim financial information is presented in RMB unless otherwise stated. This condensed interim financial information was approved by the Board of Directors for issue on 23 August 2012.

These condensed interim financial information has not been audited.

### 2. BASIS OF PREPARATION

These condensed interim financial information for the six months ended 30 June 2012 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with the International Financial Reporting Standards (“IFRS”).

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 2. BASIS OF PREPARATION *(Continued)*

As at 30 June 2012, the current liabilities of the Company exceeded the current assets by approximately RMB7,558,972,000 (as at 31 December 2011: RMB141,437,000). 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 RMB 11 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 information of the Company for the six months ended 30 June 2012 has been prepared on a going concern basis.

### 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no any amended standards that are effective for the first time for this interim period that could be expected to have a material impact on the Company.

There are certain new standards, revised standards, amendments to standards or interpretations which have been issued but are not yet effective for the year beginning 1 January 2012 and have not been early adopted by the Company in the unaudited condensed interim financial information. Management is currently assessing their related impact to the Company.







## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (*Continued*)

For the six months ended 30 June 2012

### 4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2011.

### 5. FINANCIAL RISK MANAGEMENT

All aspects of the Company's financial risk management objectives and practices are consistent with those disclosed in the annual financial statements for the year ended 31 December 2011.

### 6. REVENUE 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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Analysis of revenue by category	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Aeronautical:		
Passenger charges	<b>767,079</b>	731,473
Aircraft movement fees and related charges	<b>672,276</b>	611,980
Airport Fee <i>(note a)</i>	<b>241,298</b>	481,579
Civil Aviation Development Fund <i>(note a)</i>	<b>259,411</b>	—
	<b>1,940,064</b>	1,825,032
Non-aeronautical:		
Concessions	<b>978,121</b>	877,161
Rentals	<b>400,431</b>	372,341
Car parking fee	<b>27,610</b>	22,057
Management service fee	<b>6,730</b>	10,203
Others	<b>3,837</b>	2,562
	<b>1,416,729</b>	1,284,324
Total revenues	<b>3,356,793</b>	3,109,356

As the Company is domiciled in the PRC from where all of its revenues from external customers for the six months ended 30 June 2012 and 2011 are derived and in where all of its assets are located, no geographical segment information is shown.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 6. REVENUE AND SEGMENT INFORMATION *(Continued)*

- (a) Pursuant to the "Notice regarding the Issuance of Levy and Utilisation Methods of Civil Aviation Development Fund (the "Civil Aviation Development Fund")" issued by Ministry of Finance of the People's Republic of China on 17 March 2012, with effect from 1 April 2012, the airport fee has been terminated and the Civil Aviation Development Fund will be imposed on passengers at the same rate of the previously charged airport fee.

Accordingly, the Company recognised the Civil Aviation Development Fund revenue since 1 April 2012 using the same rate of previously recognised airport fee revenue.

### 7. PROPERTY, PLANT AND EQUIPMENT

	<b>For the six months ended 30 June</b>	
	<b>2012</b> <b>RMB'000</b>	2011 RMB'000
Opening net book value as at 1 January	<b>30,660,155</b>	31,910,864
Additions	<b>62,953</b>	147,160
Disposals	<b>—</b>	(197)
Depreciation	<b>(732,631)</b>	(726,968)
Closing net book value as at 30 June	<b>29,990,477</b>	31,330,859

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 7. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 30 June 2012, buildings with net book value of RMB289,900,000 (as at 31 December 2011: RMB294,966,000) 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 30 June 2012, buildings and terminal with a net book value of RMB9,300,882,000 (as at 31 December 2011: RMB9,422,128,000) are situated on parcels of land which had been acquired from Parent Company as part of the acquisition of the Phase III Assets\*. As at the date of approval of the condensed interim financial statements, the Company is in the process of applying for the building ownership certificates of these buildings.

As at 30 June 2012, taxiways and structures with net book value of RMB1,253,472,000 (as at 31 December 2011: RMB1,271,053,000) 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.

\* *In 2008, the Company acquired the Airfield Assets, Terminal Three of Beijing Capital Airport (T3), T3 related assets, roads within 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"). As at 30 June 2012, 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.*



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2012

### 8. TRADE AND OTHER RECEIVABLES

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Trade receivables		
– CAHC and its fellow subsidiaries (Note 25(a))	<b>189,011</b>	217,493
– other parties	<b>892,998</b>	841,276
	<b>1,082,009</b>	1,058,769
Less: Provision for impairment	<b>(31,810)</b>	(17,257)
	<b>1,050,199</b>	1,041,512
Prepayments and other receivables		
– CAHC and its fellow subsidiaries (Note 25(a))	<b>143,275</b>	50,366
– other parties	<b>25,008</b>	24,511
	<b>168,283</b>	74,877
Total trade and other receivables	<b>1,218,482</b>	1,116,389
Less: Non-current portion	<b>(61,219)</b>	(55,531)
Current portion	<b>1,157,263</b>	1,060,858

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 8. TRADE AND OTHER RECEIVABLES *(Continued)*

The ageing analysis of the trade receivables is as follows:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Less than 3 months	<b>739,504</b>	729,357
4-6 months	<b>51,031</b>	57,865
7-12 months	<b>74,446</b>	81,285
1-2 years	<b>132,350</b>	135,892
2-3 years	<b>65,741</b>	41,583
Over 3 years	<b>18,937</b>	12,787
	<b>1,082,009</b>	1,058,769

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly between 1 to 3 months.

### 9. 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 on 31 December 2011.

The Company completed the disposal on 26 June 2012 with a profit before tax of RMB55,039,000.





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 10. SHARE CAPITAL

	<b>Number of ordinary shares</b> <i>(thousands)</i>	<b>H-Shares of RMB1.00 each</b> <i>RMB'000</i>	<b>Domestic Shares of RMB1.00 each</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Registered, issued and fully paid:				
As at 31 December 2011				
and 30 June 2012	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.

### 11. 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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2012

### 11. 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 local 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.

Pursuant to the shareholders' resolution in the Annual General Meeting on 7 June 2012, the profit appropriation of RMB222,799,000 to the discretionary surplus reserve fund for the year ended 31 December 2011 was recorded in this condensed interim financial information for the six months ended 30 June 2012.

### 12. DIVIDENDS

	For the six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
Dividend proposed		
Interim dividend (RMB'000)	<b>173,236</b>	77,133
Interim dividend per share (RMB)	<b>0.04</b>	0.01781

A dividend of RMB257,082,000 that relates to the period to 31 December 2011 has been approved in the Annual General Meeting on 7 June 2012 (2011: nil).

The interim dividend for the six months ended 30 June 2012 was proposed at the Board of Directors meeting held on 23 August 2012. This proposed dividend is not reflected as a dividend payable in the condensed interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2012.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2012

### 13. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Payable to Parent Company (Note 25(a))	<b>93,344</b>	47,576
Payables to a jointly controlled entity of the Company (Note 25(a))	<b>143,479</b>	102,800
Payables to CAHC's fellow subsidiaries (Note 25(a))	<b>720,202</b>	583,095
Construction payable	<b>334,323</b>	376,489
Taxes payable (note b)	<b>312,578</b>	312,578
Repairs and maintenance charges payable	<b>135,625</b>	148,786
Dividend payable	<b>100,483</b>	—
Payroll and welfare payable	<b>105,961</b>	124,235
Deposits received	<b>41,187</b>	37,130
Greening and environmental maintenance charges payable	<b>28,981</b>	31,438
Business tax payable	<b>24,050</b>	24,997
Sub-contracting charges payable	<b>20,263</b>	24,001
Accounts payable for purchases	<b>12,469</b>	24,554
Housing subsidy payable to employees (note c)	<b>11,289</b>	11,971
Other payables	<b>186,305</b>	177,852
	<b>2,270,539</b>	2,027,502

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 13. TRADE AND OTHER PAYABLES *(Continued)*

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

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Less than 3 months	<b>965,811</b>	931,432
4–6 months	<b>229,810</b>	127,956
7–12 months	<b>274,175</b>	132,167
Over 12 months	<b>800,743</b>	835,947
	<b>2,270,539</b>	2,027,502

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





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 14. LONG-TERM BANK BORROWINGS

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Current	<b>7,500,000</b>	—
Non-current	<b>—</b>	7,500,000
	<b>7,500,000</b>	7,500,000

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

The fair value of the bank borrowing at 30 June 2012 is RMB7,355,013,000 which is based on discounted cash flows with the applicable discount rate of 6.31% 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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 15. BONDS PAYABLE

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Principal amount	<b>4,900,000</b>	4,900,000
Bond issuance cost	<b>(25,650)</b>	(25,650)
Proceeds received	<b>4,874,350</b>	4,874,350
Accumulated amortisation amounts of bond issuance cost	<b>9,394</b>	7,345
	<b>4,883,744</b>	4,881,695

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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2012

### 16. RETIREMENT BENEFIT OBLIGATIONS

As at 30 June 2012, the amounts recognised in the balance sheet are determined as follows:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Present value of the Annuity Plan <i>(note a)</i>	<b>75,070</b>	35,149
Fair value of plan assets <i>(note a)</i>	<b>(62,950)</b>	—
Present value of unfunded obligations	<b>107,252</b>	121,797
Unrecognised past service cost	<b>(80,539)</b>	(57,078)
<b>Liability in the balance sheet</b>	<b>38,833</b>	99,868
Less: amounts due within one year included in current liabilities	<b>(5,502)</b>	(5,099)
	<b>33,331</b>	94,769

- (a) In 2011, the Company obtained approval from the relevant government authority on a retirement annuity plan (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 the defined contribution scheme which applies to all current participating employees and the defined benefit scheme which represents the additional benefits guaranteed by the Company to certain employees.

As at 30 June 2012, the Company has paid RMB61,430,000 to fund the plan assets (as at 31 December 2011: nil).

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 17. 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		Total
	European Investment Bank <i>(note a)</i> RMB'000	Domestic financial institutions <i>(note b)</i> RMB'000	
<b>As at 30 June 2012</b>			
Loans from Parent Company	<b>2,518,824</b>	<b>1,100,000</b>	<b>3,618,824</b>
Less: current portion	<b>(139,935)</b>	<b>—</b>	<b>(139,935)</b>
	<b>2,378,889</b>	<b>1,100,000</b>	<b>3,478,889</b>
<b>As at 31 December 2011</b>			
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



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 17. LOANS FROM PARENT COMPANY *(Continued)*

- (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 yearly. The interest is payable semi-annually.

During the six months ended 30 June 2012, a principal amount of RMB900,000,000 was repaid in advance and the remaining principal of RMB1,100,000,000 will be mature in 2016.

### 18. OTHER INCOME

	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Gain on disposal of assets held for sale <i>(note 9)</i>	55,039	—
Government subsidies	2,817	11,068
	<b>57,856</b>	11,068

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 19. FINANCE INCOME/(COSTS)

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>RMB'000</b>	RMB'000
<b>Finance income:</b>		
Exchange gain	—	61,226
Interest income	<b>4,727</b>	4,364
	<b>4,727</b>	65,590
<b>Finance costs:</b>		
Exchange loss	<b>(10,268)</b>	—
Interest for long-term bank borrowings	<b>(163,042)</b>	(162,146)
Interest for bonds payable	<b>(113,767)</b>	(113,035)
Interest for loans from Parent Company	<b>(57,810)</b>	(98,097)
Bank charges	<b>(1,389)</b>	(1,232)
	<b>(346,276)</b>	(374,510)
Net finance costs	<b>(341,549)</b>	(308,920)





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 20. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2011: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>RMB'000</b>	RMB'000
Current tax	<b>181,705</b>	157,858
Deferred income tax	<b>10,930</b>	14,001
	<b>192,635</b>	171,859

### 21. 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 six-month periods.

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six-month periods.

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	2011
Profit attributable to owners of the Company (RMB'000)	<b>579,522</b>	514,206
Basic earnings per share (RMB)	<b>0.134</b>	0.119

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 22. 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 30 June 2012, 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 this condensed interim financial information.

### 23. 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 condensed interim financial statements as at 30 June 2012:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Authorised but not contracted for	<b>1,024,798</b>	198,968
Contracted but not provided for	<b>145,484</b>	340,937
	<b>1,170,282</b>	539,905



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2012

### 23. COMMITMENTS (Continued)

#### Operating lease commitments – where the Company is the lessee

As at 30 June 2012, future aggregate minimum lease payments under non-cancellable operating leases payable to Parent Company are as follows:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Not later than 1 year	<b>52,507</b>	51,744
Later than 1 year and not later than 5 years	<b>152,904</b>	158,014
Later than 5 years	<b>559,692</b>	552,649
	<b>765,103</b>	762,407

#### Operating lease arrangements – where the Company is the lessor

As at 30 June 2012, the future minimum lease payment receivables under non-cancellable operating leases for buildings are as follows:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Not later than 1 year	<b>527,234</b>	527,410
Later than 1 year and not later than 5 years	<b>373,389</b>	431,816
	<b>900,623</b>	959,226

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2012

### 23. COMMITMENTS (Continued)

#### Concession income arrangements

As at 30 June 2012, the future minimum concession income receivable under non-cancellable agreements in respect of the operating rights of retailing, advertising, restaurant, food shop and other businesses are as follows:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Not later than 1 year	<b>1,041,262</b>	1,038,378
Later than 1 year and not later than 5 years	<b>1,539,738</b>	2,017,272
Later than 5 years	<b>2,500</b>	5,000
	<b>2,583,500</b>	3,060,650



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 24. SUPPLEMENTARY INFORMATION TO CONDENSED STATEMENT OF CASH FLOWS

Cash flows provided (used in) investing and financing activities included the following:

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>RMB'000</b>	RMB'000
Investing activities		
Proceeds from sale of property, plant and equipment	<b>187,600</b>	—
Purchase of property, plant and equipment	<b>(122,344)</b>	(105,468)
Purchase of intangible assets	<b>(5,941)</b>	(3,185)
Interest received	<b>4,688</b>	3,159
	<b>64,003</b>	(105,494)
Financing activities		
Repayment of loans from Parent Company	<b>(970,082)</b>	(1,070,649)
Interest paid	<b>(456,036)</b>	(458,612)
Dividends paid	<b>(156,599)</b>	—
Cash contribution from Parent Company	<b>68,870</b>	—
Proceeds from loans from Parent Company	<b>—</b>	5,721
	<b>(1,513,847)</b>	(1,523,540)

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS** *(Continued)*

*For the six months ended 30 June 2012*

### **25. 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.





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 25. RELATED PARTY TRANSACTIONS *(Continued)*

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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 25. RELATED PARTY TRANSACTIONS *(Continued)*

#### (a) Balances with related parties

As at 30 June 2012, balances with related parties comprised of:

	<b>As at 30 June 2012 RMB'000</b>	As at 31 December 2011 RMB'000
Trade and other receivables from CAHC and its fellow subsidiaries <i>(Note 8 and (i))</i>	<b>332,286</b>	267,859
Deposit placed with a subsidiary of CAHC <i>(note (iii))</i>	<b>277,724</b>	188,756
Trade and other payables to CAHC <i>(Note 13 and (i))</i>	<b>93,344</b>	47,576
Trade and other payables to a jointly controlled entity of the Company <i>(Note 13 and (i))</i>	<b>143,479</b>	102,800
Trade and other payables to CAHC's fellow subsidiaries <i>(Note 13 and (i))</i>	<b>720,202</b>	583,095
Interest payable to Parent Company	<b>37,668</b>	46,665
Loans from Parent Company <i>(Note 17)</i>	<b>3,618,824</b>	4,570,116





## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 25. 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

	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Transactions with CAHC, its fellow subsidiaries and a jointly controlled entity:		
Revenues:		
Concessions from subsidiaries and a jointly controlled entity of CAHC	<b>892,568</b>	726,711
Rental income from subsidiaries of CAHC for leasing of premises, office space and counters	<b>60,403</b>	114,096
Management fee from CAHC	<b>6,730</b>	10,125

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 25. RELATED PARTY TRANSACTIONS *(Continued)*

#### (b) Transactions with related parties *(Continued)*

	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Expenses:		
Provision of utilities and power supply by a subsidiary of CAHC	295,420	277,581
Provision of aviation safety, security guard and taxi management services by a subsidiary of CAHC	189,267	180,051
Provision of certain sanitary services, baggage cart management services and greening and environmental maintenance services by a subsidiary of CAHC	90,004	79,190
Provision of accessorial power and energy services by a subsidiary of CAHC	56,097	47,312
Leasing expenses paid to CAHC and a subsidiary of CAHC	41,321	44,544
Provision of airports guidance services by a subsidiary of CAHC	7,127	10,800
Provision of airfield maintenance services from a subsidiary of CAHC	2,885	2,950
Provision of employee canteen services from a subsidiary of CAHC	1,848	—
Provision of beverage services by a subsidiary of CAHC	1,664	1,502
Provision of maintenance services and consultation services from subsidiaries of CAHC	1,000	420
Interest charges on loans from Parent Company	57,810	98,097

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 June 2012

### 25. RELATED PARTY TRANSACTIONS *(Continued)*

#### (b) Transactions with related parties *(Continued)*

	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Other:		
Provision of construction services from subsidiaries of CAHC	<b>25,876</b>	20,615
Transactions with the jointly controlled entity of the Company:		
Provision of terminal maintenance services	<b>153,002</b>	148,529
Provision of construction services	<b>2,232</b>	1,208

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 personnel compensation

	For the six months ended 30 June	
	2012 RMB'000	2011 RMB'000
Salaries, allowances and other benefits	<b>4,502</b>	2,551

## GENERAL INFORMATION OF THE COMPANY

### 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

#### **Independent Non-executive Directors**

Japhet Sebastian Law

Wang Xiaolong

Jiang Ruiming

Liu Guibin

#### **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





## GENERAL INFORMATION OF THE COMPANY *(Continued)*

### **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

### LEGAL REPRESENTATIVE

Mr. Dong Zhiyi

### COMPANY SECRETARY

Mr. Shu Yong

### AUDITOR

PricewaterhouseCoopers

### REGISTERED ADDRESS

Capital Airport, Beijing, the People's Republic of China

## GENERAL INFORMATION OF THE COMPANY *(Continued)*

### PRINCIPAL ADDRESS OF BUSINESS IN HONG KONG

21/F, Gloucester Tower, the Landmark,  
15 Queen's Road Central, Hong Kong.

### INVESTORS RELATION DEPARTMENT

#### **Secretariat to the Board**

E-mail address: [ir@bcia.com.cn](mailto:ir@bcia.com.cn)  
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### SHARE REGISTRAR AND TRANSFER OFFICE

#### **Hong Kong Registrars Limited**

1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### SHARE INFORMATION

Name of H shares: Beijing Airport  
Stock code: 0694





## PRICE AND TURNOVER HISTORY

Year	Price per share		Turnover of share <i>(in millions)</i>
	High <i>(HK\$)</i>	Low <i>(HK\$)</i>	
<b>2011</b>			
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
<b>2012</b>			
January	4.06	3.72	50.7
February	4.06	3.72	68.3
March	4.49	3.79	133.3
April	5.15	4.52	175.3
May	5.20	4.41	124.6
June	5.07	4.49	78.6