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北京首都國際機場股份有限公司

Beijing Capital International Airport Co., Ltd.

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

(Stock Code: 00694)

2016 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- In the first half year of 2016, the aircraft movements reached 297,718 sorties, representing an increase of 2.21% as compared with the same period of the previous year. The passenger throughput reached 45,596,155 person-times, representing an increase of 3.46% as compared with the same period of the previous year. The cargo and mail throughput reached 900,553 tonnes, representing an increase of 0.41% as compared with the same period of the previous year.
- In the first half year of 2016, the revenues of the Company were RMB4,240,267,000, representing an increase of 2.0% as compared with the same period of the previous year.
- In the first half year of 2016, the aeronautical revenues of the Company were RMB2,337,840,000, representing an increase of 4.6% as compared with the same period of the previous year.
- In the first half year of 2016, the non-aeronautical revenues of the Company were RMB1,902,427,000, representing a decrease of 1.1% as compared with the same period of the previous year.
- In the first half year of 2016, the operating expenses of the Company were RMB2,751,527,000, representing an increase of 0.1% as compared with the same period of the previous year.
- The net profit after tax in the first half year of 2016 of the Company was RMB905,460,000, the earnings per share was RMB0.209, representing an increase of 9.5% as compared with the same period of the previous year.
- The Board resolved to distribute an interim dividend of RMB0.0627 per share for the six months ended 30 June 2016, amounting to the total of RMB271,547,000.

The board of directors (the “Board”) of Beijing Capital International Airport Company Limited (the “Company”) announces the unaudited financial position and operating results of the Company as at 30 June 2016 and for the six months ended on that date, which have been reviewed by the audit committee of the Company (the “Audit Committee”), together with the unaudited comparative figures for the corresponding period of 2015 as follows:

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016

		Unaudited	
		For the six months ended 30 June	
		2016	2015
	<i>Note</i>	RMB'000	RMB'000
Revenues			
Aeronautical	4	2,337,840	2,234,231
Non-aeronautical	4	1,902,427	1,923,771
		<u>4,240,267</u>	<u>4,158,002</u>
Business tax and levies			
Aeronautical		(3,949)	(4,909)
Non-aeronautical		(38,862)	(58,398)
		<u>(42,811)</u>	<u>(63,307)</u>
Operating expenses			
Depreciation and amortisation		(799,838)	(797,672)
Utilities and power		(310,741)	(315,216)
Repairs and maintenance		(286,567)	(318,617)
Concession management fee		(274,307)	(268,351)
Aviation safety and security guard costs		(271,623)	(249,360)
Staff costs		(261,366)	(261,329)
Operating contracted services		(169,842)	(155,047)
Greening and environmental maintenance		(97,654)	(101,578)
Real estate and other taxes		(85,522)	(84,640)
Rental expenses		(56,769)	(58,211)
Other costs		(137,298)	(139,573)
		<u>(2,751,527)</u>	<u>(2,749,594)</u>

		Unaudited	
		For the six months ended 30 June	
		2016	2015
		RMB'000	RMB'000
	<i>Note</i>		
Other income		<u>1,923</u>	<u>8,987</u>
Operating profit		1,447,852	1,354,088
Finance income	5	12,871	13,657
Finance costs	5	<u>(255,613)</u>	<u>(264,414)</u>
		<u>(242,742)</u>	<u>(250,757)</u>
Share of post-tax profit of a joint venture		<u>2,882</u>	<u>2,762</u>
Profit before income tax		1,207,992	1,106,093
Income tax expense	6	<u>(302,532)</u>	<u>(279,217)</u>
Profit for the period		<u>905,460</u>	<u>826,876</u>
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		(4,258)	2,447
Share of other comprehensive loss of investments in a joint venture		<u>(1,529)</u>	<u>(2,108)</u>
Other comprehensive (loss)/income for the period, net of tax		<u>(5,787)</u>	<u>339</u>
Total comprehensive income for the period		<u>899,673</u>	<u>827,215</u>
Earnings per share, basic and diluted (RMB)	7	<u>0.209</u>	<u>0.191</u>

INTERIM CONDENSED BALANCE SHEET
AS AT 30 JUNE 2016

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2016	2015
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		27,083,509	27,750,245
Land use rights		1,149,607	1,163,821
Intangible assets		44,410	47,829
Investment in a joint venture		41,211	39,858
Deferred income tax assets		132,407	132,478
Other non-current assets	9	52,776	52,668
		28,503,920	29,186,899
Current assets			
Inventories		125,858	125,650
Trade and other receivables	9	1,196,816	1,265,808
Cash and cash equivalents		2,682,463	2,112,869
		4,005,137	3,504,327
Total assets		32,509,057	32,691,226
EQUITY			
Capital and reserves			
Share capital		4,330,890	4,330,890
Share premium		5,055,425	5,055,425
Capital reserve	10	957,510	957,510
Other reserve		(20,635)	(14,848)
Statutory and discretionary reserves		4,198,233	3,869,850
Retained earnings		4,238,837	4,070,163
Total equity		18,760,260	18,268,990

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2016	2015
	<i>Note</i>	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	5,380,000	1,885,000
Bonds payable	13	–	2,997,278
Retirement benefit obligations		121,924	114,280
Deferred income		17,468	17,288
Loans from the Parent Company	14	2,120,259	2,156,118
		<hr/> 7,639,651	<hr/> 7,169,964
Current liabilities			
Trade and other payables	11	2,802,541	2,216,392
Interest payable		64,448	142,887
Short-term borrowings	12	–	2,000,000
Current income tax liabilities		60,391	240,961
Current portion of long-term borrowings	12	10,000	1,985,000
Current portion of bonds payable	13	2,998,555	–
Current portion of retirement benefit obligations		7,396	7,319
Current portion of loans from the Parent Company	14	165,815	659,713
		<hr/> 6,109,146	<hr/> 7,252,272
Total liabilities		<hr/> 13,748,797	<hr/> 14,422,236
Total equity and liabilities		<hr/> 32,509,057	<hr/> 32,691,226

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

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 (“CAHC” or the “Parent Company”), a state-owned enterprise established in the PRC 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 Renminbi (“RMB”), unless otherwise stated. This condensed interim financial information was approved by the Board of Directors for issue on 25 August 2016.

This condensed interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed interim financial information for the six months ended 30 June 2016 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”).

As at 30 June 2016, the current liabilities of the Company exceeded the current assets by RMB2,104,009,000 (as at 31 December 2015: RMB3,747,945,000). 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.

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 condensed interim financial information of the Company for the six months ended 30 June 2016 has been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements except for the adoption of amendments to IFRSs effective for the financial year ending 31 December 2016.

- (a) Amendments to IFRSs effective for the financial year ending 31 December 2016 do not have a material impact on the Company.

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

- (b) Impact of standards issued but not yet applied by the entity.

- (i) IFRS 9 Financial instruments

IFRS 9, 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption.

Management is currently assessing the effects of applying the new standard on the Company's financial statements.

- (ii) IFRS 15 Revenue from contracts with customers

The International Accounting Standards Board has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim periods within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption.

Management is currently assessing the effects of applying the new standard on the Company's financial statements.

(iii) IFRS 16 Leases

IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations.

The new standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to the entity adopting IFRS 15 'Revenue from contracts with customers' at the same time.

Management is currently assessing the effects of applying the new standard on the Company's financial statements.

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors 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 Board of Directors 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.

Analysis of revenue by category

	For the six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Aeronautical		
Passenger charges	912,178	869,821
Aircraft movement fees and related charges	845,138	807,149
Airport fee (<i>note a</i>)	580,524	557,261
	<u>2,337,840</u>	<u>2,234,231</u>
Non-aeronautical		
Concessions	1,291,558	1,301,603
Rentals	526,977	528,386
Car parking fee	79,676	90,341
Others	4,216	3,441
	<u>1,902,427</u>	<u>1,923,771</u>
Total revenues	<u><u>4,240,267</u></u>	<u><u>4,158,002</u></u>

As the Company is domiciled in the PRC from where all of its revenue from external customers for the six months ended 30 June 2016 and 2015 are derived and in where all of its assets are located, no geographical segment information is shown.

- (a) Airport fee represents Civil Aviation Development Fund (the “Airport Fee”). Pursuant to the “Notice regarding the Issuance of Levy and Utilisation Methods of 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 to 31 December 2015, the civil airport management and construction fee had been converted to the Civil Aviation Development Fund which was imposed on passengers at the same rate of the previously charged civil airport management and construction fee.

Pursuant to the “Notice regarding the Issuance of Levy and Utilisation Methods of Civil Aviation Development Fund” issued by Ministry of Finance of the People’s Republic of China on 9 December 2015, with effect from 1 January 2016 to 31 December 2020, the Civil Aviation Development Fund is imposed on passengers at the same rate as previous years.

Accordingly, the Company recognised the Airport Fee revenue using the same rate of previous years.

5. FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income	12,871	13,150
Exchange gains, net	—	507
	<u>12,871</u>	<u>13,657</u>
Finance costs		
Interest for borrowings	(122,195)	(163,482)
Interest for bonds payable	(70,836)	(77,723)
Interest for loans from the Parent Company	(14,289)	(22,103)
Exchange losses, net	(47,289)	—
Bank charges	(1,004)	(1,106)
	<u>(255,613)</u>	<u>(264,414)</u>
Net finance costs	<u>(242,742)</u>	<u>(250,757)</u>

6. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2015: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	For the six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	301,042	295,080
Deferred income tax	1,490	(15,863)
	<u>302,532</u>	<u>279,217</u>

7. 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.

	For the six months ended 30 June	
	2016	2015
Profit attributable to owners of the Company (RMB'000)	905,460	826,876
Basic earnings per share (RMB per share)	<u>0.209</u>	<u>0.191</u>

8. DIVIDENDS

	For the six months ended 30 June	
	2016	2015
Dividend proposed		
Interim dividend (RMB'000)	271,547	248,160
Interim dividend per share (RMB)	<u>0.0627</u>	<u>0.0573</u>

A dividend of RMB408,403,000 that relates to the year ended 31 December 2015 (for the year ended 31 December 2014: RMB353,401,000) has been approved in the Annual General Meeting on 29 June 2016.

The interim dividend for the six months ended 30 June 2016 was proposed in the Board of Directors meeting held on 25 August 2016. This proposed dividend is not reflected as a dividends payable in the condensed interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2016.

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2016 <i>RMB'000</i>	As at 31 December 2015 <i>RMB'000</i>
Trade receivables		
– CAHC's subsidiaries	27,751	27,288
– a joint venture of the Company	–	438
– third parties	<u>1,261,736</u>	<u>1,250,356</u>
	1,289,487	1,278,082
Less: provision for impairment	<u>(138,531)</u>	<u>(112,410)</u>
	<u>1,150,956</u>	<u>1,165,672</u>
Bill receivable		
– third parties	10,000	11,346
Dividend receivable		
– a joint venture of the Company	17,346	22,946
Prepayments and other receivables		
– CAHC and its subsidiaries	51,649	95,402
– third parties	<u>19,641</u>	<u>23,110</u>
	<u>71,290</u>	<u>118,512</u>
Total trade and other receivables	<u>1,249,592</u>	<u>1,318,476</u>
Less: non-current portion	<u>(52,776)</u>	<u>(52,668)</u>
Current portion	<u>1,196,816</u>	<u>1,265,808</u>

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Less than 3 months	774,590	749,610
4 – 6 months	65,916	65,686
7 – 12 months	85,150	125,912
1 – 2 years	118,016	136,581
2 – 3 years	129,423	113,946
Over 3 years	116,392	86,347
	<u>1,289,487</u>	<u>1,278,082</u>

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

10. CAPITAL RESERVES

Capital reserve represents equity contributions from CAHC in cash to which CAHC is fully entitled. In accordance with relevant government authorities' instruction, this amount is to be accounted for as capital reserve of the Company for the benefit of the Parent 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.

11. TRADE AND OTHER PAYABLES

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Trade payables		
Amounts due to related parties		
– CAHC	92,861	66,382
– CAHC's subsidiaries	352,303	323,366
– a joint venture of the Company	117,869	96,598
	<u>563,033</u>	486,346
Repairs and maintenance charges payable	250,355	279,588
Greening and environmental maintenance charges payable	29,370	26,876
Sub-contracting charges payable	21,246	30,358
Accounts payable for purchases	15,111	44,635
Other	139,026	134,022
	<u>1,018,141</u>	1,001,825
Advance and other payables		
Amounts due to related parties		
– CAHC	273,963	40,929
– CAHC's subsidiaries	83,555	81,623
– a related party of the Company	42,279	–
– a joint venture of the Company	13,449	14,794
	<u>413,246</u>	137,346
Deed taxes in respect of the acquisition of the Phase III Assets* and the Building D of Terminal Three and Ancillary Assets (the "T3D Assets")	357,335	357,335
Construction payable	274,364	238,311
Advance from customers	223,748	116,360
Payroll and welfare payable	172,558	194,977
Dividends payable	134,945	–
Deposits received	101,301	76,918
Receipts on behalf of concession operators	65,658	47,284
Other tax payable	18,894	24,687
Other	22,351	21,349
	<u>1,784,400</u>	1,214,567
	<u><u>2,802,541</u></u>	<u><u>2,216,392</u></u>

The ageing analysis of trade payables based on invoice date is as follows:

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Less than 3 months	634,996	644,653
4 – 6 months	64,757	83,216
7 – 12 months	126,031	27,477
Over 12 months	192,357	246,479
	<u>1,018,141</u>	<u>1,001,825</u>

- * 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”).

12. BORROWINGS

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Short-term	–	2,000,000
Long-term		
– non-current portion (<i>note a</i>)	5,380,000	1,885,000
– current portion (<i>note a</i>)	10,000	1,985,000
	<u>5,390,000</u>	<u>5,870,000</u>

Movements in borrowings are analysed as follows:

	For the six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Opening amount as at 1 January	5,870,000	4,485,000
Proceeds of new borrowings	3,500,000	4,150,000
Repayments of borrowings	(3,980,000)	(2,255,000)
	<hr/>	<hr/>
Closing amount as at 30 June	<u>5,390,000</u>	<u>6,380,000</u>

- (a) The loan with the remaining amount of RMB1,890,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 will be paid semi-annually commencing July 2015 through July 2017 and the remaining balance will be paid in 2018. Thus the balance of RMB10,000,000 as at 30 June 2016 is classified as current liabilities.

The loan with the principal amount of RMB3,500,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, the balance will be paid in May 2019.

The fair value of the long-term borrowings as at 30 June 2016 approximates to their carrying amount.

13. BONDS PAYABLE

	As at 30 June 2016 <i>RMB'000</i>	As at 31 December 2015 <i>RMB'000</i>
Principal amount	3,000,000	3,000,000
Bonds issuance cost	(15,704)	(15,704)
Proceeds received	2,984,296	2,984,296
Accumulated amortisation amounts of bonds issuance cost	14,259	12,982
	2,998,555	2,997,278
Less: current portion	(2,998,555)	–
Non-current portion	–	2,997,278

On 5 February 2010, the Company issued bond with an aggregate principal amount of RMB3,000,000,000 with maturity period of 7 years.

The bond is unsecured, guaranteed by the Parent Company and interest-bearing at 4.65% per annum. The interest is payable annually and the principal amount is repayable in February 2017. Thus the balance of RMB2,998,555,000 as at 30 June 2016 is classified as current liabilities.

The fair value of the bonds payable at 30 June 2016 is RMB3,005,175,000 which is based on discounted cash flows with the applicable discount rate of 4.35% representing the prevailing market rate of interest available to the Company for financial instruments with substantially the same terms and characteristics as at the balance sheet date.

14. LOANS FROM THE 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 RMB'000
	European Investment Bank (note a) RMB'000	Domestic financial institutions (note b) RMB'000	
As at 30 June 2016			
Loans from the Parent Company	2,286,074	–	2,286,074
Less: current portion	(165,815)	–	(165,815)
	<u>2,120,259</u>	<u>–</u>	<u>2,120,259</u>
As at 31 December 2015			
Loans from the Parent Company	2,315,831	500,000	2,815,831
Less: current portion	(159,713)	(500,000)	(659,713)
	<u>2,156,118</u>	<u>–</u>	<u>2,156,118</u>
	For the six months ended 30 June		
	2016	2015	
	RMB'000	RMB'000	
Opening amount as at 1 January	2,815,831	2,832,736	
Repayments of borrowings	(578,160)	(76,530)	
Currency translation differences	48,403	(712)	
Closing amount as at 30 June	<u>2,286,074</u>	<u>2,755,494</u>	

- (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 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. The principal amount was repaid in February 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Aeronautical Business

In the first half of 2016, as driven by the continuous exuberant demands for travelling and optimisation of the Company's route structure, the air traffic volumes of Beijing Capital Airport maintained steady growth. In particular, the air traffic volumes of international routes, as well as Hong Kong, Macau & Taiwan, continued to grow steadily at a faster pace than the domestic volumes.

In the first half year of 2016, the cumulative aircraft movements in Beijing Capital Airport reached 297,718 sorties, representing an increase of 2.21% as compared with the same period of the previous year. The cumulative passenger throughput reached 45,596,155 person-times, representing an increase of 3.46% as compared with the same period of the previous year. The cumulative cargo and mail throughput reached 900,553 tonnes, representing an increase of 0.41% 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		Change
	2016	2015	
Aircraft Movements (<i>unit: sorties</i>)	297,718	291,280	2.21%
including: Domestic	229,646	227,336	1.02%
International, Hong Kong, Macau & Taiwan	68,072	63,944	6.46%
Passenger Throughput (<i>unit: person-times</i>)	45,596,155	44,069,884	3.46%
including: Domestic	33,913,509	33,371,253	1.62%
International, Hong Kong, Macau & Taiwan	11,682,646	10,698,631	9.20%
Cargo and mail throughput (<i>unit: tonnes</i>)	900,553	896,910 ^(Note 1)	0.41%
including: Domestic	483,708	498,528	-2.97%
International, Hong Kong, Macau & Taiwan	416,845	398,382	4.63%

Note 1: The figure of cargo and mail throughput was amended at the end of 2015.

Aeronautical Revenues

	Unaudited		Change
	For the six months ended 30 June		
	2016	2015	
	<i>RMB'000</i>	<i>RMB'000</i>	
Passenger charges	912,178	869,821	4.9%
Aircraft movement fees and related charges	845,138	807,149	4.7%
Airport fee	580,524	557,261	4.2%
	<u>2,337,840</u>	<u>2,234,231</u>	
Total aeronautical revenues			4.6%
Less: Business tax and levies	(3,949)	(4,909)	-19.6%
	<u>(3,949)</u>	<u>(4,909)</u>	
Aeronautical revenues, net of business tax and levies	<u><u>2,333,891</u></u>	<u><u>2,229,322</u></u>	4.7%

In the first half year of 2016, the total aeronautical business revenues of the Company were RMB2,337,840,000, representing an increase of 4.6% as compared with the same period of the previous year.

In the first half year of 2016, revenues from passenger charges were RMB912,178,000, representing an increase of 4.9% as compared with the same period of the previous year, which was mainly driven by the growth of passenger throughput, especially the substantial growth of international passenger throughput.

In the first half year of 2016, revenues from aircraft movement fees and related charges were RMB845,138,000, representing an increase of 4.7% as compared with the same period of the previous year, which was mainly due to the comprehensive promotion by the factors including the growth in aircraft movements and optimisation of route structures.

In the first half year of 2016, the airport fee revenues of the Company were RMB580,524,000, representing an increase of 4.2% as compared with the same period of the previous year, which was mainly due to the growth in international departure passenger throughput.

Non-aeronautical Revenues

		Unaudited		Change
		For the six months ended 30 June		
		2016	2015	
		<i>RMB'000</i>	<i>RMB'000</i>	
Concessions		1,291,558	1,301,603	-0.8%
including:	Retailing	586,895	529,934	10.7%
	Advertising	489,530	535,417	-8.6%
	Restaurants and food shops	97,837	93,017	5.2%
	VIP services	48,431	35,653	35.8%
	Ground handling	25,116	58,424	-57.0%
	Air catering	7,674	15,204	-49.5%
	Others	36,075	33,954	6.2%
Rentals		526,977	528,386	-0.3%
Car parking fees		79,676	90,341	-11.8%
Others		4,216	3,441	22.5%
Total non-aeronautical revenues		<u>1,902,427</u>	<u>1,923,771</u>	-1.1%
Less:	Business tax and levies	<u>(38,862)</u>	<u>(58,398)</u>	-33.5%
Non-aeronautical revenues, net of business tax and levies		<u><u>1,863,565</u></u>	<u><u>1,865,373</u></u>	-0.1%

In the first half year of 2016, the non-aeronautical revenues of the Company were RMB1,902,427,000, representing a decrease of 1.1% as compared with the same period of the previous year.

In the first half year of 2016, the concession revenues of the Company were RMB1,291,558,000, representing a decrease of 0.8% as compared with the same period of the previous year. Among which, the concession revenues from retailing were RMB586,895,000, representing an increase of 10.7% as compared with the same period of the previous year, which was mainly attributable to the increase in retailing amount due to the growth in international passenger throughput with high consumption abilities. The concession revenues from advertising were RMB489,530,000, representing a decrease of 8.6% as compared with the same period of the previous year, which was due to: 1) temporary non-occupation of certain advertising resources as a result of the restrictions of the economic environment on advertising business development; and 2) certain advertising resources were idle due to transformation of certain commercial areas in the terminals. The concession revenues from restaurants and food shops were RMB97,837,000, representing an increase of 5.2% as compared with the same period of the previous year, which was mainly due to the increase in passenger throughput and passenger consumption abilities. The concession revenues from VIP services were RMB48,431,000, representing an increase of 35.8% as compared with the same period of the previous year, which was mainly due to adjustments in the concession arrangement following the Traveller Services Franchise Agreement renewedly entered into between the Company and Capital Airport VIP Services Management Co., Ltd. (“CAVIP”) in 2016. The concession revenues from ground handling service were RMB25,116,000, representing a decrease of 57.0% as compared with the same period of the previous year, which was mainly due to that the Company had not entered into agreement with its major clients regarding the concession fees of the ground handling service and thus relevant revenues had not been recognised. The concession revenues from air catering were RMB7,674,000, representing a decrease of 49.5% as compared with the same period of the previous year, mainly because of the larger concession revenues from air catering for the corresponding period of the previous year due to that the Company entered into the Air Catering Concession Agreement with Beijing Air Catering Ltd. in 2015 and recognised relevant revenues both for 2015 and 2014. Other concession revenues were RMB36,075,000, representing an increase of 6.2% as compared with the same period of the previous year.

In the first half year of 2016, the rental revenues of the Company were RMB526,977,000, representing a decrease of 0.3% as compared with the same period of the previous year.

In the first half year of 2016, the car parking fees of the Company were RMB79,676,000, representing a decrease of 11.8% as compared with the same period of the previous year, which was due to the decrease in long-term car parking volumes with relatively high unit prices as a result of the emergence of various internet-based taxi calling services and valet parking services, plus the decrease in revenues from car parking services (net of taxes) caused by the complete implementation of change of business tax to value added tax reform since 1 May 2016.

Operating expenses

	Unaudited		Change
	For the six months ended 30 June		
	2016	2015	
	RMB'000	RMB'000	
Depreciation and amortisation	799,838	797,672	0.3%
Utilities and power	310,741	315,216	-1.4%
Repair and maintenance	286,567	318,617	-10.1%
Concession management fees	274,307	268,351	2.2%
Aviation safety and security guard costs	271,623	249,360	8.9%
Staff costs	261,366	261,329	0.0%
Operating contracted services	169,842	155,047	9.5%
Greening and environmental maintenance	97,654	101,578	-3.9%
Real estate and other taxes	85,522	84,640	1.0%
Rental expenses	56,769	58,211	-2.5%
General, administrative and other costs	137,298	139,573	-1.6%
	<u>2,751,527</u>	<u>2,749,594</u>	
Total operating expenses	<u>2,751,527</u>	<u>2,749,594</u>	0.1%

In the first half year of 2016, the operating expenses of the Company were RMB2,751,527,000, representing an increase of 0.1% as compared with the same period of the previous year.

In the first half year of 2016, the depreciation and amortisation expenses of the Company were RMB799,838,000, representing an increase of 0.3% as compared with the same period of the previous year.

In the first half year of 2016, the utilities and power expenses of the Company were RMB310,741,000, representing a decrease of 1.4% as compared with the same period of the previous year.

In the first half year of 2016, the repair and maintenance expenses of the Company were RMB286,567,000, representing a decrease of 10.1% as compared with the same period of the previous year, mainly due to that certain expenses were incurred by the Company in the first half year of 2015 for certain one-off repairs and maintenance of the airfield area and the terminals and no such expenses were incurred for the current period.

In the first half year of 2016, the concession management fees of the Company were RMB274,307,000, representing an increase of 2.2% as compared with the same period of the previous year.

In the first half year of 2016, the aviation safety and security guard costs of the Company were RMB271,623,000, representing an increase of 8.9% as compared with the same period of the previous year, mainly due to the increase in relevant expenses arising from increased security personnel and equipment for security upgrade of Beijing Capital Airport to deal with international security situation and emergencies in public areas and perform vital transportation security tasks.

In the first half year of 2016, the staff costs of the Company were RMB261,366,000, basically remaining flat as compared with the same period of the previous year.

In the first half year of 2016, the operating contracted services costs of the Company were RMB169,842,000, representing an increase of 9.5% as compared with the same period of the previous year, mainly due to the increase in passenger service costs as a result of the Purchase of Services for Traveller Agreement newly entered into between the Company and CAVIP in 2016.

In the first half year of 2016, the real estate and other taxes of the Company were RMB85,522,000, representing an increase of 1.0% as compared with the same period of the previous year.

In the first half year of 2016, the rental expenses of the Company were RMB56,769,000, representing a decrease of 2.5% as compared with the same period of the previous year.

In the first half year of 2016, the general, administrative and other costs of the Company were RMB137,298,000, representing a decrease of 1.6% as compared with the same period of the previous year.

Other Items in the Statement of Comprehensive Income

For the six months ended 30 June 2016, the Company's liabilities denominated in US dollar generated exchange losses due to the increase in the exchange rate of US dollar to RMB while exchange gains were recorded for the same period in 2015; in addition, the average balance of borrowings in the first half year of 2016 was lower than that in the same period of 2015. As such, the net financial costs of the Company after deduction of the financial incomes was RMB242,742,000, representing a decrease of 3.2% as compared with the same period of the previous year.

For the six months ended 30 June 2016, the income tax expense of the Company was RMB302,532,000.

PROSPECT FOR THE SECOND HALF YEAR OF 2016

As Beijing Capital Airport has stepped into the “new normal” stage featuring relatively modest development in recent years, the air traffic volumes of Beijing Capital Airport will continue to face both impetus and pressure in the second half year of 2016. On one hand, as driven by the continuous exuberant demand for travelling and optimisation of the air routes, the international aeronautical business will maintain steady growth; on the other hand, due to the impact of resource bottleneck, continuous high intensity operation and other factors on the daily operation, certain uncertainties will still exist with respect to the air traffic volumes of Beijing Capital Airport for a period of time. As such, the Company will continuously endeavor to address the challenges brought by various objective factors, so as to ensure steady growth of the air traffic volumes, as well as further optimisation of the business structure.

At present, Beijing Capital Airport is continuously confronted with heavy pressure on aviation safety and security under the severe situation of international security. Meanwhile, resource bottleneck also poses greater challenges to the operational safety and operational efficiency of Beijing Capital Airport. In the second half year of 2016, the Company will continue to strengthen safety management and actively explore technological methods to enhance safety management level, so as to ensure the sustainable safety of Beijing Capital Airport. Meanwhile, the Company will further improve utilisation efficiency of operational resources and accelerate the effective replenishment of operational resources to guarantee smooth operations. As for passenger services, the Company will further enhance the service quality and devote more efforts in sincere services with heart to constantly improve passenger experience.

In the second half year of 2016, the Company will continue to focus on the hub strategy to deepen international communications and cooperation in the industry and actively promote the hub construction. Aiming to build Beijing Capital Airport into an international gateway hub first and then an international and multifunctional hub, the Company will vigorously develop international routes to gradually increase the proportion of international business. At the same time, the Company will play an

active role in facilitating synergetic development of airports in Beijing, Tianjin and Hebei, and further promote the steady growth of Beijing Capital Airport's aeronautical business by reasonable allocation of resource.

As for non-aeronautical business, in the second half year of 2016, the Company will further seek for innovation in business model and optimise the planning of business resources to promote continuous appreciation of Beijing Capital Airport's commercial value. Meanwhile, the Company will actively coordinate progress in selecting new duty free business operators in the international areas inside terminals and ensure the smooth development of the duty free business during the transition period.

In the second half year of 2016, the Company will further strengthen technological innovation and management innovation, actively advancing the promotion and practice of the "Internet +" concept in Beijing Capital Airport, and employ technological methods to build up green airport and smart airport, so as to enhance the efficiency and performance of its operation management.

Recently, the scheme for construction of airlines base in Beijing new airport has been approved by the State Council. Civil Aviation Administration of China has issued the "Notice on the Matters Relating to the Plan for Construction of Airlines Base in Beijing New Airport (《關於北京新機場航空公司基地建設方案有關事項的通知》)". According to the notice, airlines are grouped according to the airline alliances. The members of Star Alliance including China National Aviation Holding Company will continue to operate in Beijing Capital Airport while the members of SkyTeam including China Eastern Airlines Corporation Limited and China Southern Airlines Company Limited will all relocate to Beijing new airport. Currently, the main construction of Beijing new airport are being fully advanced and is expected to be completed in 2019. The Company will continue to keep close eyes on the construction progress and the follow-up operation plan of the Beijing New Airport project.

INTERIM DIVIDENDS

The Board of the Company resolved to distribute the interim dividends of RMB0.0627 per share for the six months ended 30 June 2016, amounting to the total of approximately RMB271,547,000 (the interim dividends distributed for 2015: RMB0.0573 per share, amounting to the total of approximately RMB248,160,000).

The 2016 interim dividends are expected to be paid to the shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 27 September 2016 (the "Recorded Date"). The register of members of the Company will be temporarily closed from 22 September 2016 to 27 September 2016 (both days inclusive), during which period no transfer of shares will be registered. Dividends payable to holders of domestic shares and to holders of H shares who are mainland individual investors and corporate investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect will be paid in Renminbi, while dividends payable to holders of H shares (excluding mainland individual investors and corporate investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect) will be paid in Hong Kong dollar.

Holders of H shares of the Company (excluding mainland individual investors and corporate investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect)

Dividends payable to holders of H shares (excluding mainland individual investors and corporate investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect) will be paid in Hong Kong dollar. The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent (the “Receiving Agent”) which will receive the interim dividend declared from the Company on behalf of the holders of H shares (excluding mainland individual investors and corporate investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect).

The dividends payable in Hong Kong dollar will be calculated basing on the average middle exchange rate of Hong Kong dollar to Renminbi 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 (i.e., from 15 August 2016 to 21 August 2016), the average middle exchange rate of Renminbi to Hong Kong dollar was HK\$1.00 = RMB0.85437. Accordingly, the amount of the interim dividends for each H share of the Company for the six months ended 30 June 2016 is HK\$0.07339.

The interim dividends are expected to be paid by the Receiving Agent on 15 November 2016, to the related holders of H shares and the dividend warrants will be posted by the H share registrar of the Company, Hong Kong Registrars 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 dividend, 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 21 September 2016.

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 Shares” (Guo Shui Han [2008] No.897) 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 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 Record Date. For 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 enterprise” shareholders) on the register of members for H shares of the Company on the Record Date, the Company will distribute the 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 regulations 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.

Holders of H shares of the Company who are mainland individual investors or corporate investors investing in the H shares of the Company via the Shanghai-Hong Kong Stock Connect

The dividend payable to mainland individual investors and corporate investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect will be paid in Renminbi by Shanghai Branch of China Securities Depository and Clearing Corporation Limited ("CSDC") as entrusted by the Company. The Company will pay the interim dividend to CSDC on 15 November 2016 for distribution thereafter.

Pursuant to the "Circular on Tax Policies concerning the Pilot Programme of the Shanghai and Hong Kong Stock Market Trading Interconnection Mechanism" promulgated on 17 November 2014 (Cai Shui [2014] No. 81):

- For mainland individual investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of the interim dividend. Individual investors may, by producing valid tax payment proofs, apply to the tax authority of CSDC for tax credit relating to the withholding tax already paid abroad. For mainland securities investment funds that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of the interim dividend pursuant to the foregoing provisions; and
- For mainland corporate investors that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of the interim dividend and the mainland corporate investors shall file the tax returns on their own.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, the Company had total cash and cash equivalents amounting to RMB2,682,463,000, while the cash and cash equivalents of the Company amounted to RMB2,112,869,000 as at 31 December 2015.

As at 30 June 2016, the Company's long-term borrowings were RMB5,390,000,000; loans from the Parent Company were RMB2,286,074,000; bonds payable was RMB2,998,555,000.

As at 30 June 2016, the current ratio of the Company was 0.66, and that as at 31 December 2015 was 0.48. Such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates.

As at 30 June 2016, the liability-to-asset ratio of the Company was 42.29%, and that as at 31 December 2015 was 44.12%. Such ratios were computed by dividing the total amount of liabilities by the total assets as at those respective dates.

For the first half year of 2016, the Company's net cash generated from operating activities amounted to RMB1,973,187,000, while net cash generated from operating activities amounted to RMB2,292,795,000 in the same period of the previous year.

For the first half year of 2016, net cash used in investing activities amounted to RMB62,065,000, while net cash used in investing activities amounted to RMB1,296,047,000 in the same period of the previous year.

For the first half year of 2016, the Company's net cash used in financing activities amounted to RMB1,342,649,000, while net cash used in financing activities amounted to RMB498,622,000 in the same period of the previous year.

CHARGE ON ASSETS

During the six months ended 30 June 2016, there was no material charge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the six months ended 30 June 2016, the Company had no material merger, acquisition or disposal.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the six months ended 30 June 2016, the Company had not purchased, sold or redeemed any of its shares.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Company's businesses are principally denominated in RMB, except for payment of part of intermediaries fees, repayment of part of the loans from the Parent Company and distribution of dividends to part of the shareholders of H Shares, which are paid in US dollars and HK dollars.

According to the overall plan of the acquisition of the Phase III Assets*, the Company assumed the responsibility for repayment of the US dollar-denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 30 June 2016. Therefore, the fluctuation of 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, taxiways, aprons, road non-asphalt layers, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport and relevant facilities, roads within the airport area, the driverless electric train system, commercial areas and other relevant facilities and equipment, and the land use rights of the land on which Terminal Three and other auxiliary buildings are situated (collectively as the "Phase III Assets").

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

As at 30 June 2016, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB58,900,000 (as at 31 December 2015: RMB49,045,000), trade and other receivables of approximately RMB114,000 (as at 31 December 2015: RMB112,000), trade and other payables of approximately RMB11,169,000 (as at 31 December 2015: RMB10,061,000), and loans from the Parent Company of approximately RMB2,286,074,000 (as at 31 December 2015: RMB2,315,831,000).

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 was RMB2,286,074,000, representing 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%. The total amount of the non-current portion and current portion of the Company's borrowings was RMB5,390,000,000 and their interest rates were referenced to the benchmark interest rates announced by the People's Bank of China. As such, any change in LIBOR and adjustment in interest rates of the People's Bank of China will affect the interest expenses and results of the Company.

MATERIAL INVESTMENT, MATERIAL INVESTMENT PLAN AND MATERIAL FINANCING PLAN

During the six months ended 30 June 2016, there was no material investment, material investment plan or material financing plan.

CONTINGENT LIABILITIES

The Company had no significant contingent liabilities as at 30 June 2016.

EMPLOYEES AND EMPLOYEES' WELFARE

1. *As at 30 June 2016, the number of employees of the Company was as follows, together with the comparative figures for the same date in the previous year:*

	As at 30 June 2016	As at 30 June 2015
Number of employees	<u>1,621</u>	<u>1,646</u>

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 economic development 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 has implemented the requirements of basic medical insurance in accordance with the regulations 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 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. Therefore, implementation of the above mentioned requirements for basic medical insurance will not cause any material impact on the Company's balance sheet and statement of comprehensive income.

MATERIAL LITIGATION OR ARBITRATION

During the six months ended 30 June 2016, the Company was not involved in any material litigation or arbitration.

ENTRUSTED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 30 June 2016, 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 2016, the total number of issued share capital of the Company was 4,330,890,000 shares, including:

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

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

As at 30 June 2016, 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 total issued share capital
Capital Airports Holding Company (Note 1)	Domestic shares	2,451,526,000(L)	Beneficial owner	100%	56.61%
Cheng Yu Tung Family (Holdings) Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%

Name of substantial shareholder	Class of shares	Number of shares interested	Capacity	Percentage of shareholding to the relevant class	Percentage to total issued share capital
Cheng Yu Tung Family (Holdings II) Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook Capital Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook (Holding) Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook Enterprises Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
New World Development Company Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
NWS Holdings Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
NWS Ports Management Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Fortland Ventures Limited (Note 2)	H shares	448,342,000(L)	Beneficial owner	23.86%	10.35%
JP Morgan Chase & Co.	H shares	112,665,993(L)	Interest of corporation controlled by the substantial shareholder	5.99%	2.60%
		0(S)		0.00%	0.00%
		36,149,505(P)		1.92%	0.83%
Citigroup Inc.	H shares	105,298,810(L)	Interest of corporation controlled by the substantial shareholder	5.60%	2.43%
		2,152,360(S)		0.11%	0.05%
		100,978,154(P)		5.37%	2.33%
Blackrock,Inc	H shares	93,629,264(L)	Interest of corporation controlled by the substantial shareholder	4.98%	2.16%
		5,868,000(S)		0.31%	0.14%

(L) = Long Position

(S) = Short Position

(P) = Lending Pool

Note:

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

Mr. Liu Xuesong, the Chairman of the Board and an executive director, is the General Manager of Capital Airports Holding Company.

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

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

Mr. Ma Zheng, a non-executive director of the Company, is the General Legal Counsel and Chairman of the Labor Union of Capital Airports Holding Company

2. Cheng Yu Tung Family (Holdings) Limited holds approximately 48.98% interest in Chow Tai Fook Capital Limited (“CTF Capital”) and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Capital.

Cheng Yu Tung Family (Holdings II) Limited holds approximately 46.65% direct interest in CTF Capital and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Capital.

CTF Capital holds approximately 78.58% interest in Chow Tai Fook (Holding) Limited (“CTF Holding”) and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Holding.

CTF Holding holds 100% interest in Chow Tai Fook Enterprises Limited (“CTF Enterprises”) and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Enterprises.

CTF Enterprises together with its subsidiaries hold more than one third of the shares in issue of New World Development Company Limited (“NWD”) and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD.

NWD holds approximately 61.32% interest in NWS Holdings Limited (“NWS”) and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWS.

NWS holds 100% interest in NWS Ports Management Limited (“NWS Ports”) , which holds 100% interest in Fortland Ventures Limited (“Fortland Ventures”).

Therefore, Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, CTF Capital, CTF Holding, CTF Enterprises, NWD, NWS and NWS Ports are all deemed to be interested in the shares held by or deemed to be interested by Fortland Ventures.

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 2016, 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 2016.

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

As at 30 June 2016, none of the directors or the supervisors or 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 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 (the “Hong Kong Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). None of the directors, the supervisors and chief executives of the Company, or their associates had been granted or had exercised any such rights for the six months ended 30 June 2016.

AUDIT COMMITTEE

The Audit Committee was established on 10 January 2000. On 30 June 2014, the sixth session of the Board of the Company reappointed the members of the Audit Committee whose term will expire on the date of the 2016 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, PRC Certified Public Accountant and one of the first group of senior members (practicing) of the Chinese Institute of Certified Public Accountants), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong and Mr. Jiang Ruiming. Auditors are invited to attend the Audit Committee meetings regularly and they can communicate with the Audit Committee individually, as they deem necessary.

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 of the Company. 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 2016, as well as the accounting principles and policies adopted by the Company for the relevant accounts. 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

The Company adhered to the establishment of high-level corporation governance. The Company confirms that it has complied with all the provisions set out in the Corporate Governance Code set out in Appendix 14 of the Listing Rules (the "Code") for the six months ended 30 June 2016 except for the Code provisions in relation to the matters set out below.

In respect of Code provision A.2.1 of the Code, since the general manager (who performed duties of the chief executive as defined under the Listing Rules) of the Company resigned in September 2015, his work and duties have been temporarily taken up by the Chairman (who performs duties of the chairman of the Board as defined under the Listing Rules) of the Company. During the relevant acting period, the Company has expanded the authorisations granted by the Chairman to the management members, extended the scope of the management meeting and increased the frequency of such meeting, so as to avoid the excessive concentration of power of the Chairman when he performs his duties as the Chairman and the acting general manager. At the same time, the Company was proactively looking for suitable candidate to act as the general manager during the period when there is a vacancy for the position of general manager. A new general manager has been appointed on 22 March 2016 (for details in relation to the appointment of the new general manager, please refer to the announcement published by the Company on 22 March 2016).

In respect of Code provision A.6.7 of the Code, the Company held its 2015 annual general meeting on 29 June 2016. Save as Ms. Gao Lijia, Mr. Cheng Chi Ming, Brian, Mr. Japhet Sebastian Law and Mr. Jiang Ruiming were absent from the meeting due to other business commitment, all other members of the Board attended the meeting. Matters considered at the meeting included five regular matters and all of such resolutions were smoothly passed at the meeting. After the annual general meeting, the Company dispatched the meeting minutes to all members of the Board to keep the absent directors informed about the 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 2016, 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 2016.

By the order of the Board
Shu Yong
Secretary to the Board

Beijing, the PRC, 25 August 2016

As at the date of this announcement, the directors of the Company are:

<i>Executive Directors:</i>	<i>Mr. Liu Xuesong, Mr. Han Zhiliang and Ms. Gao Lijia</i>
<i>Non-executive Directors:</i>	<i>Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Ma Zheng and Mr. Cheng Chi Ming, Brian</i>
<i>Independent Non-executive Directors:</i>	<i>Mr. Japhet Sebastian Law, Mr. Wang Xiaolong, Mr. Jiang Ruiming and Mr. Liu Guibin</i>

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkex.com.hk> under “Latest Listed Companies Information”, at the website of the Company at <http://www.bcia.com.cn/> and the website of Irasia.com at <http://www.irasia.com/listco/hk/bcia>.