



BEIJING CAPITAL INTERNATIONAL AIRPORT COMPANY LIMITED

(A sino-foreign joint stock limited company incorporated in the People's Republic of China) Stock Code: 00694

2017 INTERIM REPORT



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 and risk management committee of the Company (the “Audit and Risk Management Committee”) for the first half year of 2017 and the prospects for the second half year of 2017 as follows:

SUMMARY OF FINANCIAL RESULTS

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

	For the six months ended		
	30 June (Unaudited)		
	2017	2016	Change
Revenues	4,614,365	4,240,267	8.8%
Operating expenses	(2,857,163)	(2,751,527)	3.8%
EBITDA	2,529,112	2,215,150	14.2%
Profit attributable to shareholders	1,264,327	905,460	39.6%
Earnings per share			
– basic and diluted (RMB)	0.292	0.209	39.6%

	As at		
	30 June	31 December	Change
	2017	2016	
	(Unaudited)	(Audited)	
Total assets	31,728,250	33,904,190	-6.4%
Total liabilities	11,498,525	14,525,873	-20.8%
Shareholders’ equity	20,229,725	19,378,317	4.4%

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF AERONAUTICAL BUSINESS

In the first half year of 2017, as affected by the saturation of operational resources in Beijing Capital Airport, the suspension of central runway for maintenance, the security and support work for the Belt and Road Summit, the restriction on certain international routes due to the political environment factors, the growth in air traffic volumes of Beijing Capital Airport was under stress. In particular, the aircraft movements recorded negative growth while passenger throughput and international business maintained steady growth by virtue of the continuous optimisation by the Company's route structure and the continuous exuberant demands for travelling.

In the first half year of 2017, the cumulative aircraft movements in Beijing Capital Airport reached 291,431 sorties, representing a decrease of 2.11% as compared with the same period of the previous year. The cumulative passenger throughput reached 46,626,794 person-times, representing an increase of 2.28% as compared with the same period of the previous year. The cumulative cargo and mail throughput reached 954,842 tonnes, representing an increase of 5.63% 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		
	2017	2016	Change
Aircraft Movements (<i>unit: sorties</i>)	291,431	297,718	-2.11%
Including: Domestic	221,043	229,646	-3.75%
International, Hong Kong, Macau & Taiwan	70,388	68,072	3.40%
Passenger Throughput (<i>unit: person-times</i>)	46,626,794	45,589,432 ^(Note 1)	2.28%
Including: Domestic	34,357,497	33,908,277	1.32%
International, Hong Kong, Macau & Taiwan	12,269,297	11,681,155	5.03%
Cargo and mail throughput (<i>unit: tonnes</i>)	954,842	903,929 ^(Note 1)	5.63%
Including: Domestic	467,783	485,366	-3.62%
International, Hong Kong, Macau & Taiwan	487,059	418,563	16.36%

Note 1: The figures of passenger throughput and cargo and mail throughput were amended at the end of 2016.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

AERONAUTICAL REVENUES

	Unaudited For the six months ended 30 June		
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	Change
Passenger charges	937,027	912,178	2.7%
Aircraft movement fees and related charges	924,311	845,138	9.4%
Airport fee	594,350	580,524	2.4%
Total aeronautical revenues	2,455,688	2,337,840	5.0%

In the first half year of 2017, the total aeronautical business revenues of the Company were RMB2,455,688,000, representing an increase of 5.0% as compared with the same period of the previous year.

In the first half year of 2017, revenues from passenger charges were RMB937,027,000, representing an increase of 2.7% as compared with the same period of the previous year, which was slightly higher than the increase in passenger throughput and was mainly driven by the growth of international passenger throughput.

In the first half year of 2017, revenues from aircraft movement fees and related charges were RMB924,311,000, representing an increase of 9.4% as compared with the same period of the previous year. On the one hand, benefiting from the upward adjustment of the relevant charging standards (as the charging standards for aircraft movements and the relevant aeronautical business of the domestic flights of domestic airlines in Mainland China were adjusted upwards starting from 1 April 2017 pursuant to the "Plan for Adjustment of Charging Standards of Civil Airports" issued by the Civil Aviation Administration of China), the charging rates of the domestic flight movement fees and the relevant charges of domestic airlines in Mainland China recorded significant growth. On the other hand, the continuous optimisation of the Company's route structure ensured stable growth in the flight movements of international routes, which in turn promoted the increase in overall revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

AERONAUTICAL REVENUES (CONTINUED)

In the first half year of 2017, the airport fee revenues of the Company were RMB594,350,000, representing an increase of 2.4% as compared with the same period of the previous year, which basically remained flat with the growth in passenger throughput.

NON-AERONAUTICAL REVENUES

	Unaudited For the six months ended 30 June		Change
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	
Concessions	1,484,879	1,291,558	15.0%
including: Retailing	721,412	586,895	22.9%
Advertising	532,857	489,530	8.9%
Restaurants and food shops	123,713	97,837	26.4%
VIP services	48,431	48,431	0.0%
Ground handling	27,044	25,116	7.7%
Other concessions	31,422	43,749	-28.2%
Rentals	590,043	526,977	12.0%
Car parking fees	79,217	79,676	-0.6%
Others	4,538	4,216	7.6%
Total non-aeronautical revenues	2,158,677	1,902,427	13.5%

In the first half year of 2017, the non-aeronautical business revenues of the Company were RMB2,158,677,000, representing an increase of 13.5% as compared with the same period of the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

NON-AERONAUTICAL REVENUES (CONTINUED)

In the first half year of 2017, the concession revenues of the Company were RMB1,484,879,000, representing an increase of 15.0% as compared with the same period of the previous year. Among which, the concession revenues from retailing were RMB721,412,000, representing an increase of 22.9% as compared with the same period of the previous year, which was mainly attributable to the increase of retailing amount due to the growth in international passenger throughput with high consumption abilities and the sales promotion of duty-free business. The concession revenues from advertising were RMB532,857,000, representing an increase of 8.9% as compared with the same period of the previous year, which was mainly due to the increase in charges for some renewed advertising agreements. The concession revenues from restaurants and food shops were RMB123,713,000, representing an increase of 26.4% as compared with the same period of the previous year, which was mainly due to the combined efforts from both the increased passenger throughput, especially the international passenger throughput, and the additional commercial resources.

In the first half year of 2017, the rental revenues of the Company were RMB590,043,000, representing an increase of 12.0% as compared with the same period of the previous year, which was mainly due to the additional rental areas for lounges and commercial areas in the terminals.

In the first half year of 2017, the car parking fees of the Company were RMB79,217,000, representing a decrease of 0.6% as compared with the same period of the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OPERATING EXPENSES

	Unaudited For the six months ended 30 June		Change
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	
Depreciation and amortisation	709,318	799,838	-11.3%
Repair and maintenance	345,638	286,567	20.6%
Concession management fees	314,060	274,307	14.5%
Aviation safety and security guard costs	299,129	271,623	10.1%
Utilities and power	294,459	310,741	-5.2%
Staff costs	277,033	261,366	6.0%
Operating contracted services	166,743	169,842	-1.8%
Real estate and other taxes	123,942	85,522	44.9%
Greening and environmental maintenance	96,957	97,654	-0.7%
Rental expenses	65,507	56,769	15.4%
General, administrative and other costs	164,377	137,298	19.7%
Total operating expenses	2,857,163	2,751,527	3.8%

In the first half year of 2017, the operating expenses of the Company were RMB2,857,163,000, representing an increase of 3.8% as compared with the same period of the previous year.

In the first half year of 2017, the depreciation and amortisation expenses of the Company were RMB709,318,000, representing a decrease of 11.3% as compared with the same period of the previous year, which was mainly because part of fixed assets had been fully depreciated.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OPERATING EXPENSES (CONTINUED)

In the first half year of 2017, the repair and maintenance expenses of the Company were RMB345,638,000, representing an increase of 20.6% as compared with the same period of the previous year, which was mainly due to the increased market price of maintenance fees for production equipment and systems, as well as the additional repair projects.

In the first half year of 2017, the concession management fees of the Company were RMB314,060,000, representing an increase of 14.5% as compared with the same period of the previous year, which was mainly due to the corresponding increase in management fees which are based on a certain percentage of the revenues as a result of the growth in the concession revenues of retailing, advertising as well as restaurants and food shops.

In the first half year of 2017, the aviation safety and security guard costs of the Company were RMB299,129,000, representing an increase of 10.1% as compared with the same period of the previous year, which mainly resulted from the increased personnel and investment in equipment support due to the growth in air traffic volumes of the Beijing Capital Airport and the support work for important summit and security upgrade.

In the first half year of 2017, the real estate and other taxes of the Company were RMB123,942,000, representing an increase of 44.9% as compared with the same period of the previous year, which was mainly due to the change in the real estate tax calculation method since the second half year of 2016 according to the relevant tax regulations.

In the first half year of 2017, the rental expenses of the Company were RMB65,507,000, representing an increase of 15.4% as compared with the same period of the previous year, which was mainly due to the additional rental of de-icing vehicles for operation requirement during the reporting period.

In the first half year of 2017, the general, administrative and other costs of the Company were RMB164,377,000, representing an increase of 19.7% as compared with the same period of the previous year, which was mainly due to the increase of intermediary service fees and consultation fees during the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017, the Company's liabilities denominated in US dollar generated exchange gains due to the decrease in the exchange rate of US dollar to RMB while exchange losses were recorded for the same period in 2016; in addition, the average balance of the borrowings in the first half year of 2017 was lower than that in the same period of 2016. As such, the net financial costs of the Company after deduction of the financial incomes was RMB70,761,000, representing a decrease of 70.8% as compared with the same period of the previous year.

For the six months ended 30 June 2017, the income tax expense of the Company was RMB423,007,000.

PROSPECTS FOR THE SECOND HALF YEAR OF 2017

In the second half of 2017, facing the resources saturation, the growth in air traffic volumes of Beijing Capital Airport will continue to suffer from restriction. On the one hand, as driven by the continuous exuberant demand for travelling and optimisation of the route structure, the passenger throughput and the international aeronautical business of the Beijing Capital Airport is expected to maintain steady growth. On the other hand, the resources bottleneck and continuous high intensity operation will continue to exert pressure on the growth in aircraft movements of Beijing Capital Airport, and result in the sustained trend of slight decline on the total number of flights as in the first half of the year.

In the second half year of 2017, facing the recent aviation safety and security conditions, as well as the general requirements on the operational safety and efficiency of the Beijing Capital Airport from the state and the public, the Company will stick to the safety bottom line and continue to improve its safety management so as to ensure the absolute safety and security. Meanwhile, it will also further deepen coordinated operation, and improve resources utilisation by focusing on the enhancement in operational quality and the coordinating the relationship between safety and development as well as between safety and efficiency.

PROSPECTS FOR THE SECOND HALF YEAR OF 2017 (CONTINUED)

In the second half year of 2017, the Company will continue to focus on the hub strategy and go further in the scope and depth of hub construction in order to facilitate the continuous optimisation and the stable income growth of the aeronautical business of Beijing Capital Airport. On the one hand, the Company will continue to adjust its route structure by making an effort to coordinate and push forward airlines to alleviating feeder flights and increasing international routes. On the other hand, the Company will proactively develop quality routes of domestic and international easy way while improving the efficiency of flight connection. The Company will also expedite the research on the feasibility of launching express flights from Beijing to other popular cities through cooperation with the major airline bases and will reach a consensus as soon as possible for further implementation.

As for non-aeronautical business, in the second half year of 2017, as the tender result of the operating rights of the duty free business having settled down, as well as the subsequent new contract of the duty free business being implemented, the Company will put much more effort into the preparation work for the turning over of the operation area, and ensure the stable handover to the new operators so as to strive for benefiting from the operation results under the new agreement terms during this year. Besides, the Company will further consolidate its commercial resources and enhance the value of commercial resources in various business activities in all aspects.

In the second half year of 2017, the Company will further propel the construction of smart airport. By following the worldwide industry benchmarks, as well as the planning on smart airport, the Company will support the airport business all-around “smartisation” by the smart construction in areas of smart operation, smart safety and security, smart services, smart commercial and operation management etc.. At the same time, the Company will adopt open cooperation for technology and establish strategic cooperation relations with leading technology enterprises with a high level of technical competence for sharing business resources and technological superiorities so as to improve its information construction.

PROSPECTS FOR THE SECOND HALF YEAR OF 2017 (CONTINUED)

As the conflict between air traffic growth and resources saturation of Beijing Capital Airport is becoming more prominent, the Company has committed itself to adjusting, optimising and replenishing its operational resources in the recent years. In the second half year of 2017, the Company will try its utmost to explore the potential of its resources and will accelerate the expansion and replenishment of apron resources and operation guarantee resources in the terminals in order to enhance the resources allocation and coordination capacity of Beijing Capital Airport and alleviate operating pressure.

In light of the full advancement of the main construction of Beijing new airport, as well as the objective requirements of the construction and synergetic development of the airports in Beijing, Tianjin and Hebei, the Company will pay attention to the construction progress of the Beijing new airport project and its subsequent operation. The Company will also develop the research on the hub positioning and development direction of Beijing Capital Airport in the aviation markets of Beijing, Tianjin and Hebei in future to further discuss and define its future strategic development direction and implementation approach.

INTERIM DIVIDENDS

The Board of the Company resolved to distribute the interim dividends of RMB0.0876 per share for the six months ended 30 June 2017, amounting to the total of approximately RMB379,386,000 (the interim dividends distributed for 2016: RMB0.0627 per share, amounting to the total of approximately RMB271,547,000).

INTERIM DIVIDENDS (CONTINUED)

The 2017 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 Wednesday, 27 September 2017 (the “Record Date”). The register of members of the Company will be temporarily closed from Friday, 22 September 2017 to Wednesday, 27 September 2017 (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 investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be paid in Renminbi, while dividends payable to holders of H shares (excluding mainland investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect) will be paid in HK dollar.

HOLDERS OF H SHARES OF THE COMPANY (EXCLUDING MAINLAND INVESTORS INVESTING IN THE H SHARES OF THE COMPANY VIA THE SHANGHAI-HONG KONG STOCK CONNECT AND THE SHENZHEN-HONG KONG STOCK CONNECT)

Dividends payable to holders of H shares (excluding mainland investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect and the Shenzhen-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 investors investing in the H Shares of the Company via the Shanghai-Hong Kong Stock Connect and the Shenzhen-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 23 August 2017 to 29 August 2017), the average middle exchange rate of Renminbi to Hong Kong dollar was HK\$1.00 = RMB0.84961. Accordingly, the amount of the interim dividends for each H share of the Company for the six months ended 30 June 2017 is HK\$0.10311.

INTERIM DIVIDENDS (CONTINUED)

HOLDERS OF H SHARES OF THE COMPANY (EXCLUDING MAINLAND INVESTORS INVESTING IN THE H SHARES OF THE COMPANY VIA THE SHANGHAI-HONG KONG STOCK CONNECT AND THE SHENZHEN-HONG KONG STOCK CONNECT) (CONTINUED)

The interim dividends are expected to be paid by the Receiving Agent on Wednesday, 15 November 2017, 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 Thursday, 21 September 2017.

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%.

INTERIM DIVIDENDS (CONTINUED)

HOLDERS OF H SHARES OF THE COMPANY (EXCLUDING MAINLAND INVESTORS INVESTING IN THE H SHARES OF THE COMPANY VIA THE SHANGHAI-HONG KONG STOCK CONNECT AND THE SHENZHEN-HONG KONG STOCK CONNECT) (CONTINUED)

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.

Shareholders are recommended to consult their tax advisors regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of H shares of the Company.

INTERIM DIVIDENDS (CONTINUED)

MAINLAND INVESTORS INVESTING IN THE H SHARES OF THE COMPANY VIA THE SHANGHAI-HONG KONG STOCK CONNECT AND SHENZHEN-HONG KONG STOCK CONNECT

The dividend payable to mainland investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be paid in Renminbi by Shanghai Branch and Shenzhen 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 Wednesday, 15 November 2017 for distribution.

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) and the “Circular on Tax Policies concerning the Pilot Programme of the Shenzhen and Hong Kong Stock Market Trading Interconnection Mechanism” (Cai Shui [2016] No. 127) promulgated on 15 November 2016:

- For mainland individual investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect and the Shenzhen-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 and the Shenzhen-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 and the Shenzhen-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.

Shareholders are recommended to consult tax advisors regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of H shares of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Company had total cash and cash equivalents amounting to RMB2,839,193,000, while the cash and cash equivalents of the Company amounted to RMB4,530,369,000 as at 31 December 2016.

As at 30 June 2017, the Company's short-term debentures were RMB2,500,000,000; the long-term borrowings were RMB2,995,000,000; and the loans from the Parent Company were RMB2,166,046,000.

As at 30 June 2017, the current ratio of the Company was 0.67, and that as at 31 December 2016 was 0.63. Such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates.

As at 30 June 2017, the liability-to-asset ratio of the Company was 36.24%, and that as at 31 December 2016 was 42.84%. 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 2017, the Company's net cash generated from operating activities amounted to RMB1,802,139,000, while the net cash generated from operating activities amounted to RMB1,973,187,000 in the same period of the previous year.

For the first half year of 2017, the Company's net cash used in investing activities amounted to RMB189,808,000, while the net cash used in investing activities amounted to RMB62,065,000 in the same period of the previous year.

For the first half year of 2017, the Company's net cash used in financing activities amounted to RMB3,301,800,000, while the net cash used in financing activities amounted to RMB1,342,649,000 in the same period of the previous year.

CHARGE ON ASSETS

During the six months ended 30 June 2017, there was no material charge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the six months ended 30 June 2017, the Company had no material merger, acquisition or disposal.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the six months ended 30 June 2017, the Company did not purchase, sell or redeem 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 2017. 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").

As at 30 June 2017, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB75,481,000 (as at 31 December 2016: RMB70,831,000), trade and other receivables of approximately RMB149,000 (as at 31 December 2016: RMB119,000), trade and other payables of approximately RMB11,410,000 (as at 31 December 2016: RMB11,684,000), and loans from the Parent Company of approximately RMB2,166,046,000 (as at 31 December 2016: RMB2,303,344,000). For the first half year of 2017, the net exchange gains amounted to RMB49,418,000.

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 RMB2,166,046,000, 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 Company's long-term borrowings was RMB2,995,000,000 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 2017, 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 2017.

EMPLOYEES AND EMPLOYEES' WELFARE

1. AS AT 30 JUNE 2017, 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 2017	As at 30 June 2016
Number of employees	1,561	1,621

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 fulfils 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 2017, the Company was not involved in any material litigation or arbitration.

ENTRUSTED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 30 June 2017, 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 2017, 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%

CAPITAL STRUCTURE AND CHANGES (CONTINUED)

2. INTERESTS AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2017, 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 <i>(Note 1)</i>	Domestic shares	2,451,526,000(L)	Beneficial owner	100%	56.61%
Cheng Yu Tung Family (Holdings) Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Cheng Yu Tung Family (Holdings II) Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook Capital Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook (Holding) Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook Enterprises Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%

CAPITAL STRUCTURE AND CHANGES (CONTINUED)

2. INTERESTS AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (CONTINUED)

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
New World Development Company Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
NWS Holdings Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
NWS Ports Management Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Fortland Ventures Limited <i>(Note 2)</i>	H shares	448,342,000(L)	Beneficial owner	23.86%	10.35%
Citigroup Inc.	H shares	87,451,414(L)	Interest of corporation controlled by the substantial shareholder	4.65%	2.02%
		5,183,360(S)		0.28%	0.12%
		82,285,792(P)		4.38%	1.90%
Aberdeen Asset Management Plc And Its Associates (Together "The Group") On Behalf Of Accounts Managed By The Group	H shares	96,178,000(L)	Interest of corporation controlled by the substantial shareholder	5.11%	2.22%

(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. Liu Xuesong, the Chairman of the Board and an executive director, is the General Manager and the Deputy Party Secretary of Capital Airports Holding Company.

Mr. Han Zhilian, the general manager and an executive director, 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 (general manager level) of Capital Airports Holding Company.

Mr. Ma Zheng, a non-executive director of the Company, is the General Legal Counsel and Chairman of the Labour 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 81.03% 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.

CAPITAL STRUCTURE AND CHANGES (CONTINUED)

2. INTERESTS AND SHORT POSITION OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (CONTINUED)

2. *Notes: (Continued)*

NWD holds approximately 61.22% 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 2017, 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 2017.

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

As at 30 June 2017, 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 2017.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (the former “Audit Committee”) was established on 10 January 2000 and renamed to the current name on 28 June 2017. On 28 June 2017, the seventh session of the Board of the Company appointed the members of the Audit and Risk Management Committee whose term will expire on the date of the 2019 annual general meeting. At present, the Audit and Risk Management Committee is composed of four independent non-executive directors, namely, Mr. Liu Guibin (chairman of the Audit and Risk Management 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. Jiang Ruiming and Mr. Zhang Jiali. Auditors are invited to attend the Audit and Risk Management Committee meetings regularly and they can communicate with the Audit and Risk Management Committee individually, as they deem necessary.

AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

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

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

The Audit and Risk Management Committee has reviewed the Company's condensed interim financial information for the six months ended 30 June 2017, as well as the accounting principles and policies adopted by the Company for the relevant accounts. The Audit and Risk Management 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 and Corporate Governance Practices set out in Appendix 14 of the Listing Rules (the “Code”) for the six months ended 30 June 2017 except for the Code provisions in relation to the matters set out below.

In respect of Code provision A.6.7 of the Code, the Company held its 2016 annual general meeting on 28 June 2017. Save as Mr. Zhang Musheng and Mr. Cheng Chi Ming, Brian 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 seven 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 2017, 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 2017.

CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

The Company elected and appointed the members of the seventh session of the Board and the seventh session of the Supervisory Committee on 28 June 2017. The composition of both the Board and the Supervisory Committee was changed accordingly. Mr. Gao Shiqing and Mr. Zhang Jiali were appointed as Directors of the Company to replace Mr. Zhang Musheng and Mr. Wang Xiaolong, and Mr. Wang Xiaolong was appointed as a Supervisor of the Company to replace Mr. Lau Siu Ki.

The biographies of Mr. Gao Shiqing, Mr. Zhang Jiali and Mr. Wang Xiaolong are as follows:

Mr. Gao Shiqing, aged 56, was appointed as a non-executive Director of the Company on 28 June 2017. Mr. Gao graduated from Beihang University with a master's degree in aviation engineering. From August 1983 to July 2004, Mr. Gao served as the deputy chief of Planning & Science Department and the Development & Finance Department in CAAC. From July 2004 to July 2005, he had been the assistant of general manager of the Parent Company, and has been the deputy general manager of the Parent Company since July 2005. Mr. Gao was a non-executive Director of the Company from June 2005 to June 2014.

CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE (CONTINUED)

Mr. Zhang Jiali, aged 62, and a senior economist, was appointed as an independent non-executive Director of the Company on 28 June 2017. Mr. Zhang graduated from Heilongjiang University majoring in English and also participated in the courses for the diploma of advanced study of modern management held by Hong Kong Professional Management Association. Mr. Zhang worked as a clerk in Research Institute of Qingdao Port Authority from February 1980 to November 1984; as a business analyst, deputy director, director, deputy general manager of Research Department of China Merchants Group Limited from November 1984 to August 1991; as a deputy general manager of Hong Kong Ming Wah Shipping Company Limited from August 1991 to March 1993; as a deputy managing director of China Merchants International Consultancy Company from March 1993 to July 1996; as a deputy general manager of Oversea Affairs Department of China Merchants Group from August 1996 to June 1997; as a deputy general manager of Department of Planning and Statistics of China Merchants Group from June 1997 to November 1998; as a deputy head of Preparation Unit of China Merchants Group Shanghai Company from November 1998 to October 1999; as the business supervisor of Asia of the USA-based Global Insight Inc. from February 2000 to March 2005; as the project supervisor of China Merchants Holdings (International) Company Limited from April 2005 to June 2005 and as the vice president of Shanghai International Port (Group) Co., Ltd. from July 2005 to January 2014.

Mr. Wang Xiaolong, aged 62, was appointed as a Supervisor of the Company on 28 June 2017. He graduated from School of Economics of Peking University with Ph.D. degree. From December 1985 to April 1990, Mr. Wang served as the office director and department director of the Research Institute of China's Economic Reforms in the National Committee of China's Economic Reforms. From April 1990 to March 1994, Mr. Wang served as the deputy director and standing deputy director of Beijing New Technology Industrial Development Zone. From April 1994 to 1997, Mr. Wang served as a director and the deputy general manager of Hong Kong Jing Tai Industrial Corporation. From May 1997 to June 1998, Mr. Wang served as an executive director and vice-president of Hong Kong Beijing Holding Ltd. From June 1998 to December 2015, Mr. Wang served as the deputy chairman of the board and general manager of Beijing International Trust and Investment Co., Ltd. Since March 2016, Mr. Wang served as an independent non-executive director of VSTEC Holdings Ltd. (listed on the Stock Exchange). Mr. Wang was an independent non-executive Director of the Company from June 2008 to June 2017.

CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE (CONTINUED)

Save for the above, the changes in the information of Directors, Supervisors and Chief Executive since the disclosure made in the 2016 annual report of the Company are set out as follows:

Name	Details of Changes
Liu Xuesong Director	<ul style="list-style-type: none">The Chinese name of his position as Deputy Party Secretary of Capital Airports Holding Company was changed from "黨組副書記" to "黨委副書記" in August 2017.
Cheng Chi Ming, Brian Director	<ul style="list-style-type: none">He was appointed as a member of the Eleventh Chinese People's Political Consultative Conference of Hangzhou in Zhejiang Province in April 2017.
Jiang Ruiming Director	<ul style="list-style-type: none">He resigned as the Independent Director of Chinese All Digital Publishing Group Co., Ltd. (listed on the Shenzhen Stock Exchange) in June 2017.
Song Shengli Supervisor	<ul style="list-style-type: none">The Chinese name of his position as Party Secretary of Capital Airports Holding Company was changed from "黨組書記" to "黨委書記" in August 2017.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BOARD

The seventh session of the Board was established and elected by the Company's shareholders at the Annual General Meeting on 28 June 2017. The term of office of the Board will end on the date on which the Annual General Meeting of the Company for 2019 is convened.

At present, the Board consists of 11 directors, including three executive directors, four non-executive directors and four independent non-executive directors. The Board consists of four special committees, including the Nomination Committee, Remuneration and Evaluation Committee, Audit and Risk Management Committee and Strategy Committee.

Members of the Board:

Mr. Liu Xuesong	Executive Director & Chairman of the Board
Mr. Han Zhiliang	Executive Director & General Manager
Ms. Gao Lijia	Executive Director & Deputy General Manager
Mr. Gao Shiqing	Non-executive Director
Mr. Yao Yabo	Non-executive Director
Mr. Ma Zheng	Non-executive Director
Mr. Cheng Chi Ming, Brian	Non-executive Director
Mr. Japhet Sebastian Law	Independent Non-executive Director
Mr. Jiang Ruiming	Independent Non-executive Director
Mr. Liu Guibin	Independent Non-executive Director
Mr. Zhang Jiali	Independent Non-executive Director

INTERIM CONDENSED BALANCE SHEET

AS AT 30 JUNE 2017

		Unaudited As at 30 June 2017 RMB'000	Audited As at 31 December 2016 RMB'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	7	26,082,425	26,629,287
Land use rights		1,121,178	1,135,392
Intangible assets		57,458	64,736
Investment in a joint venture		33,458	34,869
Deferred income tax assets		160,519	167,675
Other non-current assets	8	52,818	52,895
		27,507,856	28,084,854
Current assets			
Inventories		119,753	123,474
Trade and other receivables	8	1,206,979	1,138,584
Cash and cash equivalents		2,839,193	4,530,369
Other current assets		54,469	26,909
		4,220,394	5,819,336
Total assets		31,728,250	33,904,190

INTERIM CONDENSED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2017

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2017	2016
	<i>Note</i>	RMB'000	<i>RMB'000</i>
EQUITY			
Capital and reserves			
Share capital	9	4,330,890	4,330,890
Share premium		5,055,425	5,055,425
Capital reserve	10(a)	1,025,950	1,012,842
Other reserve	10(b)	(47,046)	(61,904)
Statutory and discretionary reserves	10(c)	4,732,533	4,376,333
Retained earnings		5,131,973	4,664,731
Total equity		20,229,725	19,378,317
LIABILITIES			
Non-current liabilities			
Long-term borrowings	15	2,995,000	3,000,000
Loans from the Parent Company	16	1,999,427	2,132,726
Retirement benefit obligations		145,274	161,135
Deferred income		25,246	25,996
		5,164,947	5,319,857

INTERIM CONDENSED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2017

		Unaudited As at 30 June 2017 RMB'000	Audited As at 31 December 2016 RMB'000
	<i>Note</i>		
Current liabilities			
Trade and other payables	12	3,524,435	3,148,759
Interest payable		55,181	142,717
Current income tax liabilities		79,678	236,363
Short-term debentures	13	2,500,000	2,500,000
Current portion of bonds payable	14	–	2,999,857
Current portion of loans from the Parent Company	16	166,619	170,618
Current portion of retirement benefit obligations		7,665	7,702
		6,333,578	9,206,016
Total liabilities		11,498,525	14,525,873
Total equity and liabilities		31,728,250	33,904,190

The notes on pages 38 to 72 form an integral part of this condensed interim financial information.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Note	Unaudited For the six months ended 30 June	
		2017 RMB'000	2016 RMB'000
Revenues			
Aeronautical	6	2,455,688	2,337,840
Non-aeronautical	6	2,158,677	1,902,427
		4,614,365	4,240,267
Business tax and levies		–	(42,811)
Operating expenses			
Depreciation and amortisation		(709,318)	(799,838)
Repairs and maintenance		(345,638)	(286,567)
Concession management fees		(314,060)	(274,307)
Aviation safety and security guard costs		(299,129)	(271,623)
Utilities and power		(294,459)	(310,741)
Staff costs		(277,033)	(261,366)
Operating contracted services		(166,743)	(169,842)
Real estate and other taxes		(123,942)	(85,522)
Greening and environmental maintenance		(96,957)	(97,654)
Rental expenses		(65,507)	(56,769)
Other costs		(164,377)	(137,298)
		(2,857,163)	(2,751,527)
Other income		2,304	1,923
Operating profit		1,759,506	1,447,852

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Unaudited For the six months ended 30 June	
	Note	2017 RMB'000	2016 RMB'000
Finance income	17	62,942	12,871
Finance costs	17	(133,703)	(255,613)
		(70,761)	(242,742)
Share of post-tax (loss)/profit of a joint venture		(1,411)	2,882
Profit before income tax		1,687,334	1,207,992
Income tax expense	18	(423,007)	(302,532)
Profit for the period		1,264,327	905,460
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		14,858	(4,258)
Share of other comprehensive loss of investments in a joint venture		-	(1,529)
Other comprehensive income/(loss) for the period, net of tax		14,858	(5,787)
Total comprehensive income for the period		1,279,185	899,673
Earnings per share, basic and diluted (RMB)	19	0.292	0.209

The notes on pages 38 to 72 form an integral part of this condensed interim financial information.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Unaudited						
		Share	Share	Capital	Other	Statutory	Retained	Total
		capital	premium	reserve	reserve	discretionary	earnings	equity
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Balance at 1 January 2017	4,330,890	5,055,425	1,012,842	(61,904)	4,376,333	4,664,731	19,378,317
	Total comprehensive income for the period	-	-	-	14,858	-	1,264,327	1,279,185
	2016 final dividend	-	-	-	-	-	(440,885)	(440,885)
	Cash contribution from Parent Company	-	-	13,108	-	-	-	13,108
	Transfer to statutory and discretionary reserves	-	-	-	-	356,200	(356,200)	-
	Balance at 30 June 2017	4,330,890	5,055,425	1,025,950	(47,046)	4,732,533	5,131,973	20,229,725
	Balance at 1 January 2016	4,330,890	5,055,425	957,510	(14,848)	3,869,850	4,070,163	18,268,990
	Total comprehensive income for the period	-	-	-	(5,787)	-	905,460	899,673
	2015 final dividend	-	-	-	-	-	(408,403)	(408,403)
	Transfer to statutory and discretionary reserves	-	-	-	-	328,383	(328,383)	-
	Balance at 30 June 2016	4,330,890	5,055,425	957,510	(20,635)	4,198,233	4,238,837	18,760,260

The notes on pages 38 to 72 form an integral part of this condensed interim financial information.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Unaudited	
		For the six months ended	
		30 June	
	<i>Note</i>	2017	2016
		RMB'000	<i>RMB'000</i>
Net cash from operating activities		1,802,139	1,973,187
Net cash used in investing activities	22	(189,808)	(62,065)
Net cash used in financing activities	22	(3,301,800)	(1,342,649)
Net (decrease)/increase in cash and cash equivalents		(1,689,469)	568,473
Cash and cash equivalents at 1 January		4,530,369	2,112,869
Effect of exchange rate changes		(1,707)	1,121
Cash and cash equivalents at 30 June		2,839,193	2,682,463

The notes on pages 38 to 72 form an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 30 August 2017.

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 2017 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 2016, which have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

2. BASIS OF PREPARATION (CONTINUED)

As at 30 June 2017, the current liabilities of the Company exceeded the current assets by RMB2,113,184,000 (as at 31 December 2016: RMB3,386,680,000). 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
- The Company's fund raising from National Association of Financial Market Institutional Investors.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to continue its operations and to repay its debts as and when they fall due. As a result, the condensed interim financial information of the Company for the six months ended 30 June 2017 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 2016, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments to IFRSs effective for the financial year ending 31 December 2017.

- (a) Amendments to IFRSs effective for the financial year ending 31 December 2017 do not have a material impact on the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES (CONTINUED)

(b) Impact of standards issued but not yet applied by the Company

(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 Company has decided not to adopt IFRS 9 until it becomes mandatory on 1 January 2018.

The Company does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Company's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. However, the new hedge accounting rules have no impact on the Company as the Company does not have any hedging relationships.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES (CONTINUED)

- (b) Impact of standards issued but not yet applied by the Company
(Continued)

(i) *IFRS 9 Financial instruments (Continued)*

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

(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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES (CONTINUED)

(b) Impact of standards issued but not yet applied by the Company
(Continued)

(ii) *IFRS 15 Revenue from contracts with customers*
(Continued)

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. The Company will adopt the new standard from 1 January 2018.

Management has identified the following areas that are likely to be affected:

- bundle sales – the application of IFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue, and
- accounting for costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under IFRS 15.

At this stage, the Company is not able to estimate the impact of the new rules on the Company's financial statements. The Company will make more detailed assessments of the impact in the second half year of 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

3. ACCOUNTING POLICIES (CONTINUED)

- (b) Impact of standards issued but not yet applied by the Company
(Continued)

(iii) *IFRS 16 Leases*

IFRS 16 was issued in January 2016. It will results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of RMB643,448,000. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. At this stage, the Company does not intend to adopt the standard before its effective date.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 this 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 2016.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2016.

There have been no changes in the risk management policies since year end.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Liquidity risk

As at 30 June 2017 and 31 December 2016, the amounts disclosed below are the contractual undiscounted cash flows of the Company's financial liabilities, which are primarily trade and other payables (excluding payroll and welfare payable, advance from customers and tax payable), interest payable, short-term debentures, long-term borrowings, bonds payable and loans from the Parent Company.

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>
As at 30 June 2017				
Trade and other payables	2,465,294	-	-	-
Interest payable	55,181	-	-	-
Short-term debentures	2,529,778	-	-	-
Long-term borrowings	123,452	3,109,758	-	-
Loans from the Parent Company	199,361	198,159	578,370	1,424,215
	5,373,066	3,307,917	578,370	1,424,215
As at 31 December 2016				
Trade and other payables	2,165,733	-	-	-
Interest payable	142,717	-	-	-
Short-term debentures	2,570,000	-	-	-
Long-term borrowings	123,310	127,142	3,051,205	-
Bonds payable	3,012,080	-	-	-
Loans from the Parent Company	201,775	200,778	587,561	1,544,734
	8,215,615	327,920	3,638,766	1,544,734

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Liquidity risk (Continued)

The carrying amounts of the Company's financial assets, including cash and cash equivalents, trade and other receivables and financial liabilities, including trade and other payables, interest payable, short-term debentures, long-term borrowings and loans from the Parent Company approximate their fair values, as the impact of discounting is not significant.

6. 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of revenue by category	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Aeronautical		
Passenger charges	937,027	912,178
Aircraft movement fees and related charges	924,311	845,138
Airport fee (<i>note a</i>)	594,350	580,524
	2,455,688	2,337,840
Non-aeronautical		
Concessions	1,484,879	1,291,558
Rentals	590,043	526,977
Car parking fee	79,217	79,676
Others	4,538	4,216
	2,158,677	1,902,427
Total revenues	4,614,365	4,240,267

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

As the Company is domiciled in the PRC from where all of its revenue from external customers for the six months ended 30 June 2017 and 2016 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 by 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

7. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended	
	30 June	
	2017	2016
	RMB'000	RMB'000
Opening net book value as at 1 January	26,629,287	27,750,245
Additions	140,281	109,564
Depreciation	(683,368)	(776,300)
Disposals	(3,775)	–
Closing net book value as at 30 June	26,082,425	27,083,509

As at 30 June 2017, buildings with net book value of RMB122,423,000 (as at 31 December 2016: RMB126,651,000) are situated on parcels of allocated land owned by the Parent Company. Parts of these parcels of land are occupied by the Company at nil consideration. As at 30 June 2017, buildings and terminal with a net book value of RMB8,088,416,000 (as at 31 December 2016: RMB8,209,663,000) are situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the Phase III Assets*. As at 30 June 2017, buildings and terminal with a net book value of RMB960,233,000 (as at 31 December 2016: 974,770,000) are situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the building D of Terminal Three and Ancillary Assets(the "T3D Assets"). As at the date of approval of the condensed interim financial information, the Company is in the process of applying for the building ownership certificates of these buildings and related assets. As the date of approval of the condensed interim financial information, 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 related to the land acquired by the Company as part of the acquisition of the Phase III Assets and the T3D Assets.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 30 June 2017, taxiways and structures with net book value of RMB485,128,000 (as at 31 December 2016: RMB493,265,000) are situated on parcels of allocated land owned by the 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").

8. TRADE AND OTHER RECEIVABLES

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Trade receivables		
– CAHC's subsidiaries (<i>Note 23(a)</i>)	19,575	37,302
– a joint venture of the Company (<i>Note 23(a)</i>)	234	496
– third parties	1,295,365	1,247,790
	1,315,174	1,285,588
Less: provision for impairment	(219,780)	(185,303)
	1,095,394	1,100,285

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Bill receivable – third parties	29,442	–
Dividends receivable – a joint venture of the Company (Note 23(a))	10,715	10,715
Prepayments and other receivables – CAHC and its subsidiaries (Note 23(a)) – third parties	100,764 23,482	54,081 26,398
	124,246	80,479
Total trade and other receivables	1,259,797	1,191,479
Less: non-current portion	(52,818)	(52,895)
Current portion	1,206,979	1,138,584

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Less than 3 months	838,617	806,804
4 – 6 months	70,609	41,233
7 – 12 months	67,872	105,032
1 – 2 years	125,286	110,178
2 – 3 years	97,150	133,156
Over 3 years	115,640	89,185
	1,315,174	1,285,588

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

9. SHARE CAPITAL

	Number of ordinary shares (thousands)	H-Shares of RMB1.00 each RMB'000	Domestic Shares of RMB1.00 each RMB'000	Total RMB'000
Registered, issued and fully paid: As at 31 December 2016 and 30 June 2017	4,330,890	1,879,364	2,451,526	4,330,890

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

9. SHARE CAPITAL (CONTINUED)

The Domestic shares rank pari passu, in all material respects, with H shares except that parts of 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.

10. RESERVES

(a) Capital reserve

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.

(b) Other reserve

The other reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

10. RESERVES (CONTINUED)

(c) 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 and the approval by the Annual General Meeting, 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 28 June 2017, the profit appropriation of RMB356,200,000 to the discretionary surplus reserve fund for the year ended 31 December 2016 proposed by the Board of Directors was recorded in this condensed interim financial information for the six months ended 30 June 2017.

11. DIVIDENDS

	For the six months ended 30 June	
	2017	2016
Dividend proposed		
Interim dividend (RMB'000)	379,386	271,547
Interim dividend per share (RMB)	0.0876	0.0627

A dividend of RMB440,885,000 that relates to the year ended 31 December 2016 (for the year ended 31 December 2015: RMB408,403,000) was approved in the Annual General Meeting on 28 June 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

11. DIVIDENDS (CONTINUED)

The interim dividend for the six months ended 30 June 2017 was proposed in the Board of Directors meeting held on 30 August 2017. 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 2017.

12. TRADE AND OTHER PAYABLES

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Trade payables		
Amounts due to related parties		
– CAHC (<i>Note 23(a)</i>)	104,446	67,201
– CAHC's subsidiaries (<i>Note 23(a)</i>)	386,973	471,199
– a joint venture of the Company (<i>Note 23(a)</i>)	128,791	152,011
	620,210	690,411
Repairs and maintenance charges payable	324,297	333,055
Sub-contracting charges payable	49,363	34,193
Accounts payable for purchases	45,237	54,053
Greening and environmental maintenance charges payable	32,571	34,044
Other	194,098	178,689
	1,265,776	1,324,445

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

12. TRADE AND OTHER PAYABLES (CONTINUED)

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Advance and other payables		
Amounts due to related parties		
– CAHC (Note 23(a))	292,377	42,651
– CAHC's subsidiaries (Note 23(a))	46,979	103,295
– a related party of the Company (Note 23(a))	45,641	–
– a joint venture of the Company (Note 23(a))	11,615	15,248
	396,612	161,194
Advance from customers	498,277	397,903
Construction payable	437,960	442,074
Deed taxes in respect of the acquisition of the Phase III Assets and the T3D Assets	357,335	357,335
Payroll and welfare payable	164,108	209,128
Dividends payable	145,678	–
Deposits received	141,070	115,336
Receipts on behalf of concession operators	61,072	83,959
Other tax payable	37,130	18,088
Other	19,417	39,297
	2,258,659	1,824,314
	3,524,435	3,148,759

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

12. TRADE AND OTHER PAYABLES (CONTINUED)

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

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Less than 3 months	668,384	893,703
4 – 6 months	182,721	90,474
7 – 12 months	158,769	73,803
Over 12 months	255,902	266,465
	1,265,776	1,324,445

13. SHORT-TERM DEBENTURES

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Short-term debentures	2,500,000	2,500,000

In November 2016, as approved by National Association of Financial Market Institutional Investors, the Company issued short-term debentures with a principal amount of RMB2,500,000,000, and received a total proceeds of RMB2,500,000,000. These debentures carry a fixed coupon rate of 3.2% per annum and the interest charge and principal will be paid when the bonds become due.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

14. BONDS PAYABLE

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
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	15,704	15,561
Repayment of bonds	(3,000,000)	-
	-	2,999,857
Less: current portion	-	(2,999,857)
Non-current portion	-	-

On 5 February 2010, the Company issued bonds with a principal amount of RMB3,000,000,000 with maturity period of 7 years. The bonds are 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 2017. In the first half year of 2017, the principal amount of RMB3,000,000,000 was repaid by the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

15. BORROWINGS

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Long-term borrowings (<i>note a</i>)	2,995,000	3,000,000

Movements in borrowings are analysed as follows:

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Opening amount as at 1 January	3,000,000	5,870,000
Proceeds of new borrowings	–	3,500,000
Repayments of borrowings	(5,000)	(3,980,000)
Closing amount as at 30 June	2,995,000	5,390,000

- (a) The loan 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 2017 approximates to their carrying amount.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

16. 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.

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Loans from the Parent Company (<i>note a</i>)	2,166,046	2,303,344
Less: current portion	(166,619)	(170,618)
	1,999,427	2,132,726

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Opening amount as at 1 January	2,303,344	2,815,831
Repayments of borrowings	(86,376)	(578,160)
Currency translation differences	(50,922)	48,403
Closing amount as at 30 June	2,166,046	2,286,074

- (a) This loan was previously obtained by the Parent Company from European Investment Bank. The 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

17. FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Finance income		
Exchange gains, net	49,418	–
Interest income	13,524	12,871
	62,942	12,871
Finance costs		
Interest for borrowings	(63,010)	(122,195)
Interest for short-term debentures	(40,222)	–
Interest for loans from the Parent Company	(17,005)	(14,289)
Interest for bonds payable	(12,223)	(70,836)
Exchange losses, net	–	(47,289)
Bank charges	(1,243)	(1,004)
	(133,703)	(255,613)
Net finance costs	(70,761)	(242,742)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

18. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2016: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	For the six months ended 30 June	
	2017	2016
	RMB'000	<i>RMB'000</i>
Current income tax	420,804	301,042
Deferred income tax	2,203	1,490
	423,007	302,532

19. 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	
	2017	2016
Profit attributable to owners of the Company (<i>RMB'000</i>)	1,264,327	905,460
Basic earnings per share (<i>RMB per share</i>)	0.292	0.209

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

20. 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 2017, 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.

21. COMMITMENTS

Capital commitments

Capital commitments primarily relate to the construction of the equipment to be installed at the airport terminal and other airport facilities upgrading projects.

Capital expenditure contracted for at 30 June 2017 but not yet incurred is as follows:

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Property, plant and equipment	259,077	292,029
Intangible assets	13,024	10,079
	272,101	302,108

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

21. COMMITMENTS (CONTINUED)

Operating lease commitments – where the Company is the lessee

As at 30 June 2017, future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
No later than 1 year	76,800	38,854
Later than 1 year and no later than 5 years	165,549	148,907
Later than 5 years	401,099	419,598
	643,448	607,359

Operating lease arrangements – where the Company is the lessor

As at 30 June 2017, the future minimum lease payment receivables under non-cancellable operating leases for areas around terminals and equipment are as follows:

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
No later than 1 year	732,112	746,295
Later than 1 year and no later than 5 years	417,625	658,784
Later than 5 years	56,707	–
	1,206,444	1,405,079

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

21. COMMITMENTS (CONTINUED)

Concession income arrangements

As at 30 June 2017, the future minimum concession income receivable under non-cancellable agreements in respect of the operating rights of retailing, advertising, restaurant and food shops and other businesses are as follows:

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
No later than 1 year	1,221,617	1,352,072
Later than 1 year and no later than 5 years	900,805	586,374
	2,122,422	1,938,446

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

22. SUPPLEMENTARY INFORMATION TO INTERIM CONDENSED STATEMENT OF CASH FLOWS

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

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Investing activities		
Purchase of property, plant and equipment	(195,654)	(71,241)
Purchase of intangible assets	(16,922)	(12,274)
Interest received	22,768	15,850
Dividends received	–	5,600
	(189,808)	(62,065)
Financing activities		
Repayment of bonds	(3,000,000)	–
Interest paid	(223,532)	(284,489)
Repayment of loans from the Parent Company	(86,376)	(578,160)
Repayment of long-term borrowings	(5,000)	(1,980,000)
Cash distribution from the Parent Company	13,108	–
Repayment of short-term borrowings	–	(2,000,000)
Proceeds from long-term borrowings	–	3,500,000
	(3,301,800)	(1,342,649)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

23. RELATED PARTY TRANSACTIONS

The Company is controlled by CAHC. The Directors of the Company consider CAHC, which is a PRC state-owned enterprise under the control of CAAC, to be the ultimate holding company.

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

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

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.

(a) Balances with related parties

As at 30 June 2017, balances with related parties comprised of:

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Trade and other receivables from CAHC and its subsidiaries <i>(Note 8 and i)</i>	120,339	91,383
Trade and other receivables to a joint venture of the Company <i>(Note 8 and i)</i>	10,949	11,211
Deposit placed with a subsidiary of CAHC <i>(Note ii)</i>	806,641	905,045

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Balances with related parties (Continued)

	As at 30 June 2017 RMB'000	As at 31 December 2016 RMB'000
Trade and other payables to CAHC <i>(Note 12 and i)</i>	396,823	109,852
Trade and other payables to a joint venture of the Company <i>(Note 12 and i)</i>	140,406	167,259
Trade and other payables to CAHC's subsidiaries <i>(Note 12 and i)</i>	433,952	574,494
Trade and other payables to a related party of the Company <i>(Note 12 and i)</i>	45,641	–
Interest payable to the Parent Company	1,481	1,465
Loans from the Parent Company <i>(Note 16)</i>	2,166,046	2,303,344

- (i) The amounts due from and to CAHC and its subsidiaries, the Company's joint venture and the Company's related party 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Balances with related parties (Continued)

- (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	
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Transactions with CAHC and its subsidiaries		
Revenues:		
Concessions	56,931	57,269
Rentals	122,700	109,719
Finance Income:		
Interest Income	4,144	2,464

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Expenses:		
Provision of concession management services	314,060	274,307
Provision of utilities and power	290,220	308,194
Provision of aviation safety and security guard services	266,978	250,578
Provision of certain sanitary services, baggage cart, car park operation management services, property management services, greening and environmental maintenance services	97,134	98,129
Provision of accessorial power and energy services	60,858	65,205
Rental expenses	50,223	52,771
Use of trademark license	41,175	40,141
Provision of airport guidance services	20,856	20,713
Provision of beverage services	1,635	1,692
Use of ground traffic centre	1,540	13,000
Provision of maintenance services	483	32
Interest charges on loans from the Parent Company (<i>Note 16</i>)	17,005	14,289

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2017

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Other:		
Provision of construction services	24,775	8,722
Transactions with a joint venture of the Company		
Revenue from concessions	221	91
Provision of terminal maintenance services	179,217	158,631
Provision of construction services	–	418

These transactions of revenues, finance income, expenses and construction services are conducted based on terms as set out in the underlying agreements, be referenced to statutory rates or market prices, or as mutually agreed between the Company and the parties in concern.

(c) Key management compensation

	For the six months ended 30 June	
	2017 RMB'000	2016 RMB'000
Salaries, allowances and other benefits	2,877	3,341

GENERAL INFORMATION OF THE COMPANY

BOARD

Executive Directors

Liu Xuesong (*Chairman*)

Han Zhiliang (*General Manager*)

Gao Lijia (*Deputy General Manager*)

Non-executive Directors

Gao Shiqing

Yao Yabo

Ma Zheng

Cheng Chi Ming, Brian

Independent Non-executive Directors

Japhet Sebastian Law

Jiang Ruiming

Liu Guibin

Zhang Jiali

Audit and Risk Management Committee

Liu Guibin (*Chairman*)

Japhet Sebastian Law

Jiang Ruiming

Zhang Jiali

GENERAL INFORMATION OF THE COMPANY (CONTINUED)

BOARD (CONTINUED)

Remuneration and Evaluation Committee

Japhet Sebastian Law (*Chairman*)

Jiang Ruiming

Liu Guibin

Zhang Jiali

Gao Shiqing

Gao Lijia

Nomination Committee

Jiang Ruiming (*Chairman*)

Japhet Sebastian Law

Liu Guibin

Zhang Jiali

Liu Xuesong

Han Zhiliang

Gao Lijia

Strategy Committee

Liu Xuesong (*Chairman*)

Han Zhiliang

Gao Lijia

Cheng Chi Ming, Brian

Zhang Jiali

GENERAL INFORMATION OF THE COMPANY (CONTINUED)

LEGAL REPRESENTATIVE

Mr. Liu Xuesong

JOINT COMPANY SECRETARY

Mr. Luo Xiaopeng and Mr. Mok Chung Kwan, Stephen

AUDITOR

PricewaterhouseCoopers

REGISTERED ADDRESS

Capital Airport, Beijing, the PRC

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

Fax number: 8610 6450 7700

Website: www.bcia.com.cn

SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited

1712–1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

GENERAL INFORMATION OF THE COMPANY (CONTINUED)

SHARE INFORMATION

Name of H shares: Beijing Airport

Stock code: 00694

PRICE AND TURNOVER HISTORY OF SHARES

Year	Price per share		Turnover of share <i>(in millions)</i>
	High <i>(HK\$)</i>	Low <i>(HK\$)</i>	
2017			
January	7.95	7.20	95.8
February	8.43	7.46	139.0
March	9.55	8.27	145.0
April	11.38	9.16	253.3
May	11.78	10.58	185.6
June	11.92	10.76	112.8
2016			
July	9.03	7.90	80.4
August	9.79	8.42	122.1
September	9.30	8.32	80.2
October	8.95	8.06	83.0
November	8.27	7.51	93.4
December	7.85	7.24	59.3