北京首都國際機場股份有限公司
Beijing Capital International Airport Co.,Ltd.
(a sino - foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00694)

2009 Annual Results Announcement

The Board of Directors ("the Board") of Beijing Capital International Airport Company Limited ("the Company") is pleased to announce the audited results of the Company for the year ended 31 December 2009 together with the comparative figures in 2008 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as follows:

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
		2009	2008
	Note	***Rmb'000***	*Rmb'000*
Revenues			
Aeronautical	3	**3,130,319**	2,813,722
Non-aeronautical	3	**1,834,550**	1,810,716
		4,964,869	4,624,438
Business tax and levies			
Aeronautical		**(101,422)**	(91,165)
Non-aeronautical		**(113,971)**	(115,084)
		(215,393)	(206,249)

	Note	For the year ended 31 December 2009 Rmb'000	2008 Rmb'000
Operating expenses			
Depreciation and amortisation	5	**(1,555,748)**	(699,184)
Utilities and power		**(562,408)**	(517,009)
Repairs and maintenance		**(438,280)**	(495,177)
Staff costs		**(323,153)**	(344,366)
Aviation safety and security guard costs		**(317,527)**	(296,440)
Greening and environmental maintenance		**(196,734)**	(211,099)
Operating contracted service		**(191,194)**	(149,401)
Real estate and other taxes		**(144,908)**	(127,416)
Rental expenses		**(65,603)**	(1,179,100)
Other costs		**(238,886)**	(258,765)
		(4,034,441)	(4,277,957)
Other income/(expenses) — net	4	**21,180**	(5,847)
Operating profit	5	**736,215**	134,385
Finance income	6	**4,411**	27,371
Finance costs	6	**(337,269)**	(92,769)
		(332,858)	(65,398)
Profit before income tax		**403,357**	68,987
Income tax (expense)/credit	7	**(102,557)**	16,344
Profit for the year		**300,800**	85,331
Total comprehensive income for the year		**300,800**	85,331
Earnings per share, basic and diluted *(Rmb)*	8	**0.07**	0.02
Dividends			
Interim dividend declared	9	**—**	—
Final dividend proposed	9	**146,731**	—

BALANCE SHEET

		As at 31 December	
		2009	2008
	Note	***Rmb'000***	*Rmb'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**33,095,556**	34,217,029
Land use rights		**744,184**	760,414
Intangible assets		**106,291**	127,013
Investment in an associate		**—**	24,689
Deferred income tax assets		**111,621**	87,358
		34,057,652	35,216,503
Current assets			
Inventories		**57,906**	24,002
Trade and other receivables	10	**1,808,599**	1,862,956
Cash and cash equivalents		**683,595**	576,458
		2,550,100	2,463,416
Total assets		**36,607,752**	37,679,919
EQUITY			
Capital and reserves			
Share capital	11	**4,330,890**	4,330,890
Share premium		**4,602,735**	4,602,735
Capital reserve	12(a)	**300,000**	300,000
Statutory and discretionary reserves	12(b)	**1,974,416**	1,937,032
Retained earnings		**1,255,892**	1,139,207
Proposed final dividend	9	**146,731**	—
Total equity		**12,610,664**	12,309,864

		As at 31 December	
		2009	2008
	Note	***Rmb'000***	*Rmb'000*
LIABILITIES			
Non-current liabilities			
Retirement benefit obligations		**60,950**	66,616
Deferred income		**8,391**	11,929
Loans from Parent Company	15	**6,606,020**	8,489,126
		6,675,361	8,567,671
Current liabilities			
Trade and other payables	13	**2,361,178**	16,756,172
Short-term bank borrowings	14	**12,800,000**	—
Current income tax liabilities		**91,577**	44,173
Current portion of retirement benefit obligations		**2,151**	2,039
Current portion of loans from Parent Company	15	**2,066,821**	—
		17,321,727	16,802,384
Total liabilities		**23,997,088**	25,370,055
Total equity and liabilities		**36,607,752**	37,679,919
Net current liabilities		**(14,771,627)**	(14,338,968)
Total assets less current liabilities		**19,286,025**	20,877,535

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium	Capital reserve	Statutory and discretionary reserves	Retained earnings	Total equity
		Rmb'000	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*
Balance at 1 January 2008		4,046,150	3,032,824	300,000	1,718,655	1,641,383	10,739,012
Profit for the year		—	—	—	—	85,331	85,331
Total comprehensive income for the year		—	—	—	—	85,331	85,331
New shares issue	11	284,740	1,569,911	—	—	—	1,854,651
2007 final dividend		—	—	—	—	(369,130)	(369,130)
Transfer to statutory and discretionary reserves	12(b)	—	—	—	218,377	(218,377)	—
Balance at 31 December 2008		4,330,890	4,602,735	300,000	1,937,032	1,139,207	12,309,864
Representing:							
Share capital and reserves		4,330,890	4,602,735	300,000	1,937,032	1,139,207	12,309,864
Balance at 31 December 2008		4,330,890	4,602,735	300,000	1,937,032	1,139,207	12,309,864

	Note	Share capital	Share premium	Capital reserve	Statutory and discretionary reserves	Retained earnings	Total equity
	Note	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*
Balance at 1 January 2009		4,330,890	4,602,735	300,000	1,937,032	1,139,207	12,309,864
Profit for the year		—	—	—	—	300,800	300,800
Total comprehensive income for the year		—	—	—	—	300,800	300,800
Transfer to statutory and discretionary reserves	12(b)	—	—	—	37,384	(37,384)	—
Balance at 31 December 2009		4,330,890	4,602,735	300,000	1,974,416	1,402,623	12,610,664
Representing:							
Share capital and reserves		4,330,890	4,602,735	300,000	1,974,416	1,255,892	12,463,933
2009 proposed final dividend	9	—	—	—	—	146,731	146,731
Balance at 31 December 2009		4,330,890	4,602,735	300,000	1,974,416	1,402,623	12,610,664

NOTES

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 is listed on The Stock Exchange of Hong Kong Limited since 1 February 2000. The Company is majority owned by Capital Airports Holding Company, a state-owned enterprise established in the PRC ("CAHC" or the "Parent Company").

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.

These financial statements were authorised for issue by the Board of Directors on 22 March 2010.

2 BASIS OF PREPARATION

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

As at 31 December 2009, the current liabilities of the Company exceeded the current assets by approximately Rmb14,771,627,000 (2008: Rmb14,338,968,000), which comprised primarily short-term bank borrowings of Rmb12,800,000,000. Given the debt obligations and working capital requirements, management has thoroughly considered the Company's available sources of funds as follows:

- Proceeds from domestic corporate bond offering of Rmb4.9 billion;

- The Company's continuous net cash inflow from operating activities; and

- Unutilised long-term banking facilities of approximately Rmb18.5 billion.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to meet or refinance its working capital requirements as and when they fall due. As a result, the financial statements of the Company for the year ended 31 December 2009 have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The following new/revised standards and amendments to standards are mandatory for the financial year beginning on 1 January 2009:

IAS 1 (Revised) and Amendment	"Presentation of Financial Statements"
IAS 16 Amendment	"Property, Plant and Equipment"
IAS 19 Amendment	"Employee Benefits"
IAS 20 Amendment	"Accounting for Government Grants and Disclosure of Government Assistance"
IAS 23 (Revised) and Amendment	"Borrowing Costs"
IAS 27 Amendment	"Consolidated and Separate Financial Statements"
IAS 28 Amendment	"Investments in Associates"
IAS 31 Amendment	"Interests in Joint Ventures"
IAS 32 Amendment and IAS 1 Amendment	''Puttable Financial Instruments and Obligations Arising on Liquidation''
IAS 34 Amendment	"Interim Financial Reporting"
IAS 36 Amendment	"Impairment of Assets"
IAS 38 Amendment	"Intangible Assets"
IAS 39 Amendment	"Financial Instruments: Recognition and Measurement"
IAS 40 Amendment	"Investment Property"
IFRS 1 and IAS 27 Amendments	"Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
IFRS 2 Amendment	"Share-based Payment — Vesting Conditions and Cancellations"
IFRS 7 Amendment	"Improving Disclosures about Financial Instruments"
IFRS 8	"Operating Segments"
IFRIC 15	"Agreements for the Construction of Real Estate''
IFRIC 16	"Hedges of a Net Investment in a Foreign Operation"
IFRIC 9 and IAS 39 Amendments	"Embedded Derivatives"

Except for certain presentational changes as described below, the adoption of the above new/ revised standards and amendments to standards does not have any significant impact on the financial statements.

- IAS 1 (revised), 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  The Company has elected to present one statement: a statement of comprehensive income. The financial statements have been prepared under the revised disclosure requirements.

- IFRS 8, 'Operating Segments'. IFRS 8 replaces IAS 14, 'Segment Reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

In 2009, the Company has also early adopted IAS 24 (revised), 'Related Party Disclosures" which is effective for annual periods beginning on or after 1 January 2011. The amendment introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose the name of the government and the nature of their relationship, the nature and amount of any individually-significant transactions, and the extent of any collectively-significant transactions qualitatively or quantitatively. It also clarifies and simplifies the definition of a related party.

Standards, amendments and interpretations that are not yet effective and have not been early adopted:

		Effective for accounting periods beginning on or after
New or revised standards, interpretations and amendments		
IAS 27 (Revised)	"Consolidated and Separate Financial Statements''	1 July 2009
IAS 32 Amendment	"Classification of Right Issues''	1 February 2010
IAS 39 Amendment	"Financial Instruments: Recognition and Measurement — Eligible hedged items''	1 July 2009
IFRS 1 (Revised)	"First-time Adoption of International Financial Reporting Standards''	1 July 2009
IFRS 1 Amendment	"Additional Exemptions for First-time Adopters''	1 January 2010
IFRS 2 Amendment	"Group Cash-settled Share-based Payment Transactions''	1 January 2010
IFRS 3 (Revised)	"Business Combinations''	1 July 2009
IFRS 9	"Financial Instruments''	1 January 2013
IFRIC 14 Amendment	"Prepayments of a Minimum Funding Requirement''	1 January 2011
IFRIC 17	"Distributions of Non-cash Assets to Owners''	1 July 2009
IFRIC 18	"Transfer of Assets from Customers''	1 July 2009
IFRIC 19	"Extinguishing Financial Liabilities with Equity Instruments''	1 July 2010

		Effective for accounting periods beginning on or after
Improvements to existing standards		
IAS 1 Amendment	"Presentation of Financial Statements''	1 January 2010
IAS 7 Amendment	"Statement of Cash Flows''	1 January 2010
IAS 17 Amendment	"Leases''	1 January 2010
IAS 18 Amendment	"Revenue''	1 January 2010
IAS 36 Amendment	"Impairment of Assets''	1 January 2010
IAS 38 Amendment	"Intangible Assets''	1 July 2009
IAS 39 Amendment	"Financial Instruments: Recognition and Measurement''	1 January 2010
IFRS 2 Amendment	"Share-based Payments''	1 July 2009
IFRS 5 Amendment	"Non-current Assets Held for Sale and Discontinued Operations''	1 January 2010
IFRS 8 Amendment	"Operating Segments''	1 January 2010
IFRIC 9 Amendment	"Reassessment of Embedded Derivatives''	1 July 2009
IFRIC 16 Amendment	"Hedges of a Net Investment in a Foreign Operation''	1 July 2009

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

3 REVENUES AND SEGMENT INFORMATION

The Strategy Committee reviews the Company's internal reporting in order to assess performance and allocate resources.

The Company runs a single business of operating and managing an airport and provision of related services in the PRC. Financial information on revenues is available for the Strategy Committee to make operating decisions.

Analysis of revenues by category	**2009**	2008
	Rmb'000	*Rmb'000*
Aeronautical:		
Passenger charges	**1,258,969**	1,070,586
Aircraft movement fees and related charges	**1,043,848**	1,021,623
Airport Fee *(note a)*	**827,502**	721,513
	3,130,319	2,813,722
Non-aeronautical:		
Concessions *(note b)*	**1,080,443**	1,205,092
Rentals	**693,532**	539,553
Car parking fee	**31,763**	38,085
Others	**28,812**	27,986
	1,834,550	1,810,716
Total revenues	**4,964,869**	4,624,438

(a) The charge rates of the Civil Airport Construction and Management Fee (the "Airport Fee") are regulated by relevant authorities. Pursuant to the approval document (Ju Fa Ming Dian [2009] No. 2326) issued by Civil Aviation Administration of China ("CAAC") on 17 July 2009, for the year ended 31 December 2009, the charge rates for the Airport Fee is 48% (2008: 48%) of total amount collected from outbound passengers when departing the airport.

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

	2009	2008
	Rmb'000	*Rmb'000*
Advertising	**541,708**	657,015
Retailing	**414,948**	379,916
Restaurants and food shops	**91,290**	78,314
Ground handling service	**24,167**	76,211
Air catering	**—**	6,048
Other	**8,330**	7,588
Total concessions	**1,080,443**	1,205,092

The Company is domiciled in the PRC from where all of its revenues from external customers are derived and in where all of its assets are located.

4 OTHER INCOME/(EXPENSES) — NET

	2009	2008
	Rmb'000	*Rmb'000*
Foreign exchange gains/(losses) — net	**2,443**	(15,952)
Government subsidies	**18,737**	11,218
Impairment of investment in an associate	**—**	(1,113)
	21,180	(5,847)

5 OPERATING PROFIT

The following items have been included in arriving at the operating profit:

	2009	2008
	Rmb'000	*Rmb'000*
Depreciation on property, plant and equipment		
— owned assets	**1,481,457**	656,562
— owned assets leased out under operating leases	**24,474**	18,096
Loss on disposal of property, plant and equipment	**2,565**	7,931
Amortisation of land use rights	**16,230**	8,014
Amortisation of intangible assets	**33,587**	16,512
Operating lease rentals		
— land use rights on which the airfield and related areas of Phase III Assets* are situated	**28,000**	28,000
— land use rights	**7,423**	6,764
— information technology center	**16,343**	7,110
— Phase III Assets	**—**	1,080,628
— airfield assets	**—**	48,373
— other rentals	**13,837**	8,225
Impairment charge on trade receivables	**11,793**	20,862
Auditor's remuneration	**2,800**	2,700

* Phase III Assets represent the Airfield Assets, Terminal Three of the Beijing Capital Airport ("Terminal Three" or "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 is situated.

6 FINANCE INCOME/(COSTS)

	2009	2008
	Rmb'000	*Rmb'000*
Finance income:		
Interest income on bank deposits	**4,411**	27,371
Finance costs:		
Interest for loans from Parent Company	**(216,706)**	(92,220)
Interest for short-term bank borrowings	**(115,733)**	—
Interest for notes payable	**(1,666)**	—
Bank charges	**(3,164)**	(549)
	(337,269)	(92,769)
	(332,858)	(65,398)

7 TAXATION

(a) Corporate income tax

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

The Company is subject to corporate income tax at a rate of 25% (2008: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	2009	2008
	Rmb'000	*Rmb'000*
Current tax	**126,820**	56,356
Deferred income tax credit	**(24,263)**	(72,700)
	102,557	(16,344)

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

	2009	2008
	Rmb'000	*Rmb'000*
Profit before income tax	**403,357**	68,987
Tax calculated at a tax rate of 25% (2008: 25%)	**100,839**	17,247
Income not subject to taxation	**—**	(1,367)
Expenses not deductable for tax purpose	**2,336**	929
Tax credit on qualified purchases of domestically manufactured equipment	**(618)**	(832)
Recognition of temporary difference in prior years	**—**	(32,321)
Tax charge/(credit)	**102,557**	(16,344)

(b) Business taxes

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

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

(c) Real estate tax

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

(d) Withholding tax ("WHT") on dividend paid to foreign investors

In accordance with the Corporate Income Tax Law of the PRC and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H share of the Company when distributing dividends to them. Any H shares of the Company registered other than in the name(s) of individual(s), including HKSCC Nominees Limited, other nominees, trustees, or other organizations or groups, shall be deemed to be shares held by non-resident enterprise shareholder(s). Such H-shares shareholders will receive their dividends after the deduction of corporate income tax.

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2009	2008
Profit of the Company *(Rmb'000)*	**300,800**	85,331
Weighted average number of ordinary shares in issue *(thousands)*	**4,330,890**	4,204,339
Basic earnings per share *(Rmb per share)*	**0.07**	0.02

Diluted earnings per share is equal to basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2009 and 2008.

9 DIVIDENDS

	2009	2008
Dividend proposed		
Final dividend *(Rmb'000)*	**146,731**	—
Final dividend per share *(Rmb)*	**0.03388**	—

The Board of Directors did not recommend the payment of any interim dividend for the year ended 31 December 2009.

The final dividend for the year ended 31 December 2009 was proposed at the Board of Directors meeting held on 22 March 2010. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2010.

10 TRADE AND OTHER RECEIVABLES

	2009	2008
	Rmb'000	*Rmb'000*
Trade receivables		
— CAHC, its fellow subsidiaries and related parties	**416,900**	489,174
— other parties	**1,331,989**	1,273,563
	1,748,889	1,762,737
Less: Provision for impairment	**(37,046)**	(25,253)
	1,711,843	1,737,484
Notes receivable		
— other parties	**32,407**	—
Prepayments and other receivables		
— CAHC, its fellow subsidiaries and related parties	**49,810**	65,967
— other parties	**14,539**	59,505
	64,349	125,472
	1,808,599	1,862,956

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

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

The ageing analysis of the trade receivables is as follows:

	2009	2008
	Rmb'000	*Rmb'000*
Less than 3 months	**898,799**	989,790
4-6 months	**288,355**	398,839
7-12 months	**325,303**	283,410
1-2 years	**214,581**	84,050
2-3 years	**15,532**	6,648
Over 3 years	**6,319**	—
	1,748,889	1,762,737

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

Currency	**2009**	2008
	Rmb'000	*Rmb'000*
RMB	**1,765,478**	1,853,479
US dollar	**43,121**	9,477
	1,808,599	1,862,956

As at 31 December 2009, trade receivables of Rmb752,764,000 (2008: Rmb673,130,000) were past due but were considered not impaired by management. These receivables relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009	2008
	Rmb'000	*Rmb'000*
Past due up to 3 months	**248,068**	362,808
Past due 4 - 6 months	**160,044**	132,692
Past due 6 - 12 months	**233,558**	154,737
Past due over 1 years	**111,094**	22,893
	752,764	673,130

As at 31 December 2009, trade receivables of Rmb402,974,000 (2008: Rmb389,578,000) were impaired. Out of which, a provision of Rmb37,046,000 (2008: Rmb25,253,000) was made. The impaired trade receivables arise mainly from revenue of aeronautical customers and these receivables are considered individually for impairment. These receivables mainly relate to debtors who have some degree of difficulties in repayment. It was assessed that a substantial portion of these receivables are expected to be recovered. The ageing of these receivables is as follows:

	2009	2008
	Rmb'000	*Rmb'000*
Less than 3 months	**228,722**	170,513
4-6 months	**114,140**	115,959
7-12 months	**18,194**	82,851
1-2 years	**26,840**	13,607
2-3 years	**8,759**	6,648
Over 3 years	**6,319**	—
	402,974	389,578

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

	2009	2008
	Rmb'000	*Rmb'000*
At beginning of year	**25,253**	5,291
Provision for impairment of receivables	**11,793**	20,862
Receivables written off during the year as uncollectible	**—**	(900)
At end of year	**37,046**	25,253

Prepayment and other receivables and balances due from CAHC, its fellow subsidiaries and related parties do not contain impaired assets.

The Company does not hold any collateral as security.

11 SHARE CAPITAL

	2009		2008	
	Number of ordinary shares ***(thousands)***	**Nominal value** ***RMB'000***	Number of ordinary shares *(thousands)*	Nominal value *RMB'000*
Registered, issued and fully paid				
H-Shares of Rmb1.00 each	**1,879,364**	**1,879,364**	1,879,364	1,879,364
Domestic shares of Rmb1.00 each	**2,451,526**	**2,451,526**	2,451,526	2,451,526
At 31 December	**4,330,890**	**4,330,890**	4,330,890	4,330,890

The Domestic shares rank pari passu, in all material respects, with H-Share. Nonetheless, the transfer of Domestic shares is subject to certain restrictions imposed by the PRC law.

A summary of the movements in the Company's issued share capital during the year is as follows:

	2009			2008		
		Domestic			Domestic	
	H-Shares	Shares	Total	H-Shares	shares	Total
	Rmb'000	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*	*Rmb'000*
At 1 January	**1,879,364**	**2,451,526**	**4,330,890**	1,566,150	2,480,000	4,046,150
New H-shares issued	**—**	**—**	**—**	313,214	(28,474)	284,740
At 31 December	**1,879,364**	**2,451,526**	**4,330,890**	1,879,364	2,451,526	4,330,890

On 10 June 2008, the Company issued 313,214,000 H-shares with par value of Rmb1 each at HK$7.45 per share, of which 28,474,000 H-shares issued in exchange of the Domestic shares held by CAHC and 284,740,000 H-shares issued through placement to institutional investors. The net proceeds of the placement was about Rmb1,854,651,000 (HK$2,093,120,000).

12 RESERVES

(a) Capital reserve

Capital reserve represents an equity contribution from CAHC in cash received in 2007.

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

(b) Statutory and discretionary reserves

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

For the year ended 31 December 2009, the Board of Directors proposed appropriations of 10% and 20% of profit after tax (2008: 10% and 20%) respectively, as determined under the PRC accounting standards, of Rmb29,350,000 and Rmb58,700,000 (2008: Rmb4,017,000 and Rmb8,034,000) respectively to the statutory surplus reserve fund and the discretionary surplus reserve fund respectively.

The proposed profit appropriation of Rmb58,700,000 to the discretionary surplus reserve fund for the year ended 31 December 2009 will be recorded in the financial statements for the year ending 31 December 2010.

The appropriation to discretionary surplus reserve fund of Rmb8,034,000 (2007: Rmb214,360,000) proposed for the year ended 31 December 2008 by the Board of Directors on 24 April 2009 was recorded in the financial statements for the year ended 31 December 2009.

According to the Articles of Association of the Company, the reserve available for distribution is the lower of the amount determined under the PRC accounting standards and the amount determined under IFRS. As at 31 December 2009, the reserve available for distribution was approximately Rmb1,078,084,000 (2008: Rmb821,967,000).

13 TRADE AND OTHER PAYABLES

	2009	2008
	Rmb'000	*Rmb'000*
Payable to Parent Company	**134,994**	14,851,477
Payables to CAHC's fellow subsidiaries and related parties	**700,202**	385,615
Tax payable *(note b)*	**312,578**	324,722
Construction payable	**379,860**	393,747
Notes payable *(note c)*	**58,602**	—
Maintenance fee payable	**143,805**	190,964
Payroll and welfare payable	**170,199**	113,172
Deposits received	**74,370**	84,736
Receipts on behalf of North China Air Traffic Control Bureau *(note d)*	**71,509**	71,509
Business tax payable	**19,284**	76,258
Housing subsidy payable to employees *(note e)*	**13,191**	12,525
Other payables	**282,584**	251,447
	2,361,178	16,756,172

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

	As a	As at
	31 December 2009	31 December 2008
	Rmb'000	*Rmb'000*
Less than 3 months	**1,074,274**	15,152,804
4-6 months	**187,916**	517,001
7-12 months	**91,762**	891,685
Over 12 months	**1,007,226**	194,682
	2,361,178	16,756,172

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

(c) This represents the bank acceptance bills issued for the operating cost payables with maximum maturity period of up to six months.

(d) This represents the receipts received by the Company on behalf of North China Air Traffic Control Bureau on the service rendered for air traffic control, communication and weather, etc. The balance is payable on demand.

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

14 SHORT-TERM BANK BORROWINGS

This represents bank borrowings which are unsecured, repayable within one year, denominated in Rmb and bear interests at 3.5%. They are bank borrowings previously obtained by the Parent Company which were assumed by and reassigned into the name of the Company during the year.

15 LOANS FROM PARENT COMPANY

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

	Loans previously obtained by the Parent Company from		
	European Investment Bank *(note a)* *Rmb'000*	**domestic financial institutions** *(note b)* *Rmb'000*	**Total** *Rmb'000*
As at 31 December 2009			
Loans from Parent Company	2,672,841	6,000,000	8,672,841
Less: current portion	(66,821)	(2,000,000)	(2,066,821)
	2,606,020	4,000,000	6,606,020
As at 31 December 2008			
Loans from Parent Company	2,489,126	6,000,000	8,489,126

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

During the year, the Company assumed a loan amount of USD27,247,000 (equivalent to approximately Rmb183,715,000) further borrowed by the Parent Company. Accordingly, the amount payable to Parent Company was reduced by the same amount.

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

A principal amount of Rmb2,000,000,000 is repayable in full in 2015 with an option for early repayment on 20 July 2010. The remaining principal amount of Rmb4,000,000,000 is repayable in full in 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINUOUS GROWTH OF AIR TRAFFIC VOLUME

In 2009, driven by strong domestic demand and the increase in capacity caused by Terminal Three's operation, the air traffic volumes at the Beijing Capital Airport maintained a double-digit rapid growth, details of which are set out as follows:

	2009	2008	Change *(%)*
Aircraft Movements	**488,495**	431,670	13.2%
Including: Domestic	**392,663**	333,171	17.9%
International, Hong Kong, Macau & Taiwan	**95,832**	98,499	-2.7%
Passenger Throughput	**65,372,012**	55,937,300	16.9%
Including: Domestic	**51,273,605**	42,540,500	20.5%
International, Hong Kong, Macau & Taiwan	**14,098,407**	13,396,800	5.2%
Cargo and Mail Throughput *(unit: tonnes)*	**1,475,649**	1,365,768	8.0%
Including: Domestic	**842,612**	727,192	15.9%
International, Hong Kong, Macau & Taiwan	**633,037**	638,576	-0.9%

OVERVIEW ON REVENUES

In 2009, the Company's revenues were Rmb4,964,869,000, representing an increase of 7.4% as compared with the previous year; of which, aeronautical revenues were Rmb3,130,319,000, representing an increase of 11.3% as compared with the previous year and non-aeronautical revenues were Rmb1,834,550,000, representing an increase of 1.3% as compared with the previous year.

Aeronautical Revenues

In 2009, through the rapid growth of aircraft movements in domestic routes, the Company's revenues from passenger charges were Rmb1,258,969,000, representing a significant increase of 17.6% as compared with the previous year. In respect of aircraft movement and related fees, the surcharge of the aircraft movement fees (10% of aircraft movement fees payable by the airline clients) was suspended to be levied for the year of 2009, according to the ten measures by CAAC to cope with the financial crisis. Affected by the above measure, the aircraft movement fees and related charges were Rmb1,043,848,000 in 2009, representing an increase of 2.2% as compared with the previous year, and did not match the increase in air traffic volumes as a result. In 2009, the Company's airport fee revenues were Rmb827,502,000, representing an increase of 14.7% as compared with the previous year.

	2009	2008	Change
	Rmb'000	*Rmb'000*	*(%)*
Passenger charges	**1,258,969**	1,070,586	17.6%
Aircraft movement fees and related charges	**1,043,848**	1,021,623	2.2%
Airport Fee	**827,502**	721,513	14.7%
Total aeronautical revenues	**3,130,319**	2,813,722	11.3%

Non-aeronautical Revenues

In 2009, the Company's non-aeronautical revenues did not realize substantial growth due to the impacts of the economic crisis. The concession revenues of the Company were Rmb1,080,443,000 in 2009, representing a decrease of 10.3% as compared with the previous year. The concession revenues from advertising were Rmb541,708,000, representing a decrease of 17.6% as compared with the previous year, which were mainly because several advertising clients cut costs and decreased their advertising expenses due to the impacts of the economic crisis. The total concession revenues from retail and restaurants for the year of 2009 were Rmb414,948,000 and Rmb91,290,000 respectively, an increase of 9.2% and an increase of 16.6% as compared with the previous year, which was mainly resulting from the recovery of the businesses of retail and restaurants caused by the recovery of economy in the second half year of 2009. In 2009, the concession revenues from ground handling service declined to Rmb24,167,000, representing a decrease of 68.3% as compared with the previous year, mainly because the Company and certain ground handling service providers were unable to reach an agreement governing the relevant terms of transaction in respect of the ground handling service income. In 2009, other concession revenues of the Company were Rmb8,330,000, representing a decrease of 38.9% as compared with the previous year, mainly because the Company no longer charged a concession fee for air catering services.

In 2009, as Terminal Three was put into operation on 26 March 2008, there were 3 more months for the commercial areas being rented out in the reporting period as compared with the previous year, and consequently the rental income of the Company were Rmb693,532,000, representing an increase of 28.5% as compared with the previous year.

In 2009, the Company's revenues from car parking were Rmb31,763,000, representing a decrease of 16.6% as compared with the previous year, mainly because after Terminal Three were put into use, utilisation of car parking in Terminal One and Terminal Two was diverted and the vehicle flow decreased as compared with the previous year.

In 2009, other revenues of the Company were Rmb28,812,000, representing an increase of 3.0% as compared with the previous year, which include revenues from management and operation service fees of the ground traffic centre ("GTC"), airport pass service revenues, etc.

	2009	2008	change
	Rmb'000	*Rmb'000*	*(%)*
Concession revenues	**1,080,443**	1,205,092	-10.3%
Including: Advertising	**541,708**	657,015	-17.6%
Retail	**414,948**	379,916	9.2%
Restaurants	**91,290**	78,314	16.6%
Ground handling service	**24,167**	76,211	-68.3%
Other concession	**8,330**	13,636	-38.9%
Rentals	**693,532**	539,553	28.5%
Car parking fee	**31,763**	38,085	-16.6%
Others	**28,812**	27,986	3.0%
Total non-aeronautical revenues	**1,834,550**	1,810,716	1.3%

Operating Expenses

	2009	2008	change
	Rmb'000	*Rmb'000*	*(%)*
Depreciation and amortisation	**1,555,748**	699,184	122.5%
Utilities and power	**562,408**	517,009	8.8%
Repairs and maintenance	**438,280**	495,177	-11.5%
Staff costs	**323,153**	344,366	-6.2%
Aviation safety and security guard costs	**317,527**	296,440	7.1%
Greening and environmental maintenance	**196,734**	211,099	-6.8%
Operating contracted service	**191,194**	149,401	28.0%
Real estate and other taxes	**144,908**	127,416	13.7%
Rental expenses	**65,603**	1,179,100	-94.4%
Other costs	**238,886**	258,765	-7.7%
Total operating expenses	**4,034,441**	4,277,957	-5.7%

In 2009, due to the scale effect of the utilisation of the Phase III Assets and the significant results from costs control measures, the total operating expenses of the Company were Rmb4,034,441,000, representing a decrease of 5.7% as compared with the previous year.

In 2009, the depreciation and amortisation expenses of the Company were Rmb1,555,748,000, representing an increase of 122.5% as compared with the previous year, mainly because there were additional nine months' depreciation and amortisation expenses in the reporting period for the Phase III Assets acquired by the Company from the Parent Company on 1 October 2008, as compared with the previous year.

In 2009, the utilities and power expenses of the Company were Rmb562,408,000, representing an increase of 8.8% as compared with the previous year, mainly due to the longer energy-supply period in the reporting period as the Phase III Assets were operated for a full year basis in 2009 while the related assets were put into trial run operation since 29 February 2008.

In 2009, the repairs and maintenance expenses of the Company were Rmb438,280,000, representing a decrease of 11.5% as compared with the previous year, mainly because the projects of renovation and decoration of certain buildings had been completed in the previous year in order to enable the utilisation of Phase III Assets to meet the demand of business and operation while there was no such project in the reporting period.

In 2009, the staff costs of the Company were Rmb323,153,000 representing a decrease of 6.2% as compared with the previous year, mainly because the decrease in the cost related to the retirement benefit plan charged to the statement of comprehensive income as a result of an adjustment in the applicable discount rate.

In 2009, the aviation safety and security guard costs of the Company were Rmb317,527,000, representing an increase of 7.1% as compared with the previous year, which were mainly due to the increase in aviation and security guard services resulting from the longer operating time of Terminal Three when comparing with previous year and the increase in passenger throughput.

In 2009, the greening and environmental maintenance expenses of the Company were Rmb196,734,000, representing a decrease of 6.8% as compared with the previous year, mainly because there were some extraordinary expenses in the previous year to facilitate the operation of the Phase III Assets while there were no such expenses in 2009.

In 2009, the operating contracted service expenses of the Company, comprised primarily the operating service fees for the luggage system, the boarding bridge system, the driverless electric train system, etc, were Rmb191,194,000, representing an increase of 28.0% as compared with the previous year, which were mainly resulted from the longer operating time for the Phase III Assets in 2009, as compared with the previous year.

In 2009, the real estate taxes and other taxes of the Company were Rmb144,908,000, representing an increase of 13.7% as compared with the previous year, mainly because the Company was responsible for two more months' real estate taxes levied on the Phase III Assets in 2009 as compared with 2008.

In 2009, the rental expenses of the Company were Rmb65,603,000, representing a decrease of 94.4% as compared with the previous year, mainly because the Company rented the Phase III Assets from the Parent Company from 26 March 2008 to 30 September 2008 while there were no such expenses in 2009.

In 2009, the other costs of the Company were Rmb238,886,000, representing a decrease of 7.7% as compared with the previous year, mainly because of the decline in related expenditures as a result of stronger costs control measures taken by the Company.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

In 2009, other income of the Company was Rmb21,180,000, which mainly included foreign exchange gain and government subsidies.

In 2009, the financial costs of the Company were Rmb337,269,000, representing the interest expenses of the Company for the year as a result of the assumption of liabilities from the Parent Company from 1 October 2008 as part of the consideration for the acquisition of the Phase III Assets.

In 2009, the income tax expense of the Company was Rmb102,557,000.

PROFIT FOR THE YEAR

For the financial year ended 31 December 2009, the profit of the Company for the year was Rmb300,800,000, representing an increase of 252.5% as compared with the previous year.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Company's businesses are principally denominated in Rmb, except for non-aeronautical revenues, the purchases of certain equipment, goods and materials and payment of consulting fees which are paid in US dollars and Hong Kong dollars. Dividends to the shareholders of the Company holding H Shares are declared in Rmb and payable in Hong Kong dollars.

According to the overall plan of acquisition of the Phase III Assets, the Company assumed the US dollar-denominated loans of USD391,442,000 from the European Investment Bank related to the Phase III Assets and the interest thereof since 1 October 2008. Accordingly, the fluctuation of Rmb exchange rate against the US dollar will affect the financial results of the Company.

As at 31 December 2009, the assets and liabilities of the Company denominated in foreign currencies (mainly in USD and HKD) included cash and cash equivalents of approximately Rmb7,689,000 (as at 31 December 2008: Rmb6,456,000), trade and other receivables of approximately Rmb43,121,000 (as at 31 December 2008: Rmb9,477,000), trade and other payables of approximately Rmb136,000 (as at 31 December 2008: Rmb137,000), and loans of approximately Rmb2,672,841,000 (as at 31 December 2008: Rmb2,489,126,000) from the Parent Company. During the year of 2009, the Company recorded an exchange gain of Rmb2,443,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the long-term loans from the Parent Company and current portion of the long-term loans from the Parent Company of the Company is Rmb8,672,841,000, which includes the loans from the European Investment Bank which was assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4% and the corporate bonds from the Parent Company at an interest rate with reference to published inter-bank repo rate issued by China Foreign Exchange Trading Centre (National Interbank Funding Centre). As such, any change in LIBOR and rates of People's Bank of China will affect the interest expenses and financial results of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's net cash generated from operating activities in 2009 amounted to Rmb1,327,726,000, representing an increase of Rmb105,978,000 as compared with Rmb1,221,748,000 for the year of 2008. Net cash outflow from investing activities in 2009 amounted to Rmb881,802,000, of which the payment made for the purchase of property, plant and equipment amounting to Rmb331,447,000. In 2009, the Company's net cash outflow from financing activities amounted to Rmb338,777,000.

As at 31 December 2009, the Company had total cash and cash equivalents amounting to Rmb683,595,000, as compared to the cash and cash equivalents of the Company amounted to Rmb576,458,000 as at 31 December 2008.

As at 31 December 2009, the current ratio of the Company was 0.15, and that as at 31 December 2008 was 0.15. Such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates.

As at 31 December 2009, the liability-to-asset ratio of the Company was 65.55%, and that as at 31 December 2008 was 67.33%. Such ratios were computed by dividing the total amount of liabilities by the total assets as at those respective dates.

As at 31 December 2009, the capital and reserves of the Company was Rmb12,610,664,000 and that as at 31 December 2008 was Rmb12,309,864,000.

So far as the directors of the Company are aware, the Airport Fee shall continue to be levied until 31 December 2010. For the year ended 31 December 2009, the Company recognised 48% of the collected Airport Fee of the Beijing Capital Airport as revenues, according to the notice of related government authorities.

The Company will pay prompt attention to any adjustment of policies related to the Airport Fee and disclose any updated information to shareholders through announcement.

As at 31 December 2009, the Company had unutilised loan facilities totalling approximately Rmb19,941,398,000 (2008: Rmb13,500,000,000). The Company may use the bank credit mentioned above partly or totally according to the requirements of the operation of the Company.

DIVIDENDS

The Board recommended the payment of a final dividend of Rmb0.03388 per share for the year of 2009, with a total amount of approximately Rmb146,731,000 intended to be distributed. The Company did not pay any dividend for the year of 2008. Such proposal is subject to the approval by the shareholders of the Company at the annual general meeting of the Company (the "AGM") scheduled to be held on Tuesday, 22 June, 2010. In the event that such approval is obtained, the dividend will be paid on or before Thursday, 15 July 2010 to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 27 May 2010.

There was no arrangement under which any shareholder of the Company has waived or agreed to waive any dividend during the year ended 31 December 2009, since the Company did not pay any dividend in 2009.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of holding the AGM and the payment of a final dividend, the register of members of the Company will be closed from Friday, 21 May 2010 to Tuesday, 22 June 2010 (both days inclusive). In order to be qualified for attending the AGM, 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 Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Thursday, 20 May 2010.

ACQUISITION AND DISPOSAL

During the first half year of 2009, the liquidation of Global Airport Logistics Co., Ltd. was completed and the Company recovered the carrying value of this investment in full.

Save as disclosed above, the Company has not conducted any other acquisition or disposal during the year ended 31 December 2009.

MATERIAL ACQUISITION AND MATERIAL SUBSEQUENT EVENT

On 1 October 2008, the Company acquired the Phase III Assets from the Parent Company. The consideration has been fully settled by the Company by ways of direct payment or assumption of liabilities before 30 September 2009.

The application by the Company for the bonds issue was conditionally approved by the Issuance Examination Committee of the China Securities Regulatory Commission (the "CSRC") on 21 December 2009. The Company received the "Approval for the Public Issue of Corporate Bonds by Beijing Capital International Airport Company Limited" (Zheng Jian Xu Ke (2010) No.78) from the CSRC on 19 January 2010 whereby the Company was approved to issue domestic corporate bonds (the "Corporate Bonds") not exceeding Rmb4.9billion in value.

The Company issued the Corporate Bonds of 5-year (annual rate of 4.45%) and 7-year (annual rate of 4.65%) in the public market of Shanghai Stock Exchange on 5 February 2010, which raised funds of Rmb4.9 billion. The Corporate Bonds were listed on Shanghai Stock Exchange on 10 March 2010.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year ended 31 December 2009, the Company has not redeemed, purchased or sold any of its listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2009 and to the date of 22 March 2010, the Company has adopted and complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the Company's annual results for the year ended 31 December 2009.

PROSPECTS

In 2010, the global macroeconomy is gradually stablised. CAAC is planning the strategy of being part of the contribution to the nation's development by enhancing the civil aviation industry and the next developing goal of Beijing City has been set as developing into a global city. Influenced by the above mentioned factors, the air traffic is therefore expected to show steady growth. In particular, the international and regional routes to Hong Kong, Macau and Taiwan are expected to show significant recovery.

Preliminary statistics show that for the first two months of 2010, when comparing to 2009's first two months, Beijing Capital Airport's aircraft movements has been increased by 5.4%, including the growth of domestic routes at 4.8% and the growth of international and regional routes at 7.7%; the growth of passenger throughput is 8.2%, including domestic route's growth at 5.8% and international and regional routes' growth at 17.3%. The increase in air traffic volumes resulting from international and regional routes will help to optimise the overall flight structure of Beijing Capital Airport and to promote a rapid growth of related aeronautical revenues.

In 2010, the Company will continue its efforts to increase revenues and reduce expenditures. The Company will negotiate with the airlines to execute the surcharge of aircraft movement fees again. Also, efforts would be put to increase the proportion of international routes and large passenger aircrafts. The Company will further explore the passengers' needs, improve the service quality of non-aeronautical business and raise the non-aeronautical revenues by optimising products' category structure and brand portfolio. The Company will also continue to strengthen costs control system and to take various measures to control the financial costs, including seeking low-cost debt capital, optimising the structure of debt capital, reducing the risk caused by interest rates' fluctuation and effectively controlling capital expenditures.

In 2010, the Company will continue to improve its security and service quality, further focus on energy efficiency and environmental protection, implement with the management over aviation noise abatement and special handling of aviation waste, sustainably reduce the energy consumption within the terminal and aim to operate as a "Green Airport."

As the air traffic volumes grow continuously, Beijing Capital Airport's capacity has gradually becoming saturated. From the mid-term development perspective, Beijing Capital Airport has to enhance its capacity in order to solve the problem brought by rapid increase in air traffic. The Company will further demonstrate several programmes about supplementary resources, including considering the acquisition of the building D of Terminal Three from the Parent Company and put it into operation, establishing airside connections between Terminal Two and Terminal Three and building additional supporting facilities for A380 aircrafts' parking.

The Company will pay close attention to any policy adjustment and development trend in the industry that might impose or have influence on Beijing Capital Airport's future development, including: the policy of charging Airport Fee which is to be expired by the end of this year; the challenge and opportunities to Beijing Capital Airport's business brought by the construction of the high-speed railway; the pre-construction research and preparation work for Beijing's new airport, etc.

Looking back in 2009, Beijing Capital Airport has come to its peak period of development. Through persistent efforts, the operating scale, security support and service quality of the airport have gained recognitions in the industry and the business performance has been accordingly improved. I hereby would like to thank all shareholders for your trust and support, thank all governmental authorities that support Beijing Capital Airport, thank all airlines and other parties operating at the Beijing Capital Airport for their support, thank the outgoing chairman Mr. Zhang Zhizhong for his diligence and enormous contribution to the Company's development, and thank all staff of the Company and their families for their hard work and dedication in 2009.

By the order of the Board
Dong Zhiyi
Chairman

Beijing, the PRC, 22 March 2010

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

Executive Director:	*Mr. Dong Zhiyi*
Non-executive Directors:	*Mr. Chen Guoxing, Mr. Gao Shiqing, Ms. Zhao Jinglu and Mr. Yam Kum Weng*
Independent Non-executive Directors:	*Mr. Kwong Che Keung, Gordon, Mr. Dong Ansheng, Mr. Japhet Sebastian Law and Mr. Wang Xiaolong*