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北京首都國際機場股份有限公司
Beijing Capital International Airport Co.,Ltd.

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

(Stock Code: 00694)

2011 Annual Results Announcement

FINANCIAL HIGHLIGHTS

- In 2011, the aircraft movements reached 533,257 sorties, representing an increase of 3.0% as compared with 2010. The passenger throughput reached 78,675,058 person-times, representing an increase of 6.4% as compared with 2010. The cargo and mail throughput reached 1,640,247 tonnes, representing an increase of 5.7% as compared with 2010.

- In 2011, the total revenues of the Company were RMB6,500,216,000, representing an increase of 12.5% as compared with 2010, among which, the aeronautical revenues were RMB3,806,307,000, representing an increase of 6.9% as compared with 2010; the non-aeronautical revenues were RMB2,693,909,000, representing an increase of 21.6% as compared with 2010.

- In 2011, the operating expenses of the Company were RMB4,155,195,000, representing an increase of 0.9% as compared with 2010.

- In 2011, the net profit after tax of the Company was RMB1,113,993,000, the earnings per share was RMB0.26, representing an increase of 87.2% as compared with 2010, respectively.

- The Board resolved to distribute the final dividend of RMB0.05936 per share for the year ended 31 December 2011, amounting to a total amount of RMB257,082,000.

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 2011, together with the comparative figures for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as below:

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
		2011	2010
	Note	***RMB'000***	*RMB'000*
Revenues			
Aeronautical	3	**3,806,307**	3,561,235
Non-aeronautical	3	**2,693,909**	2,215,496
		6,500,216	5,776,731
Business tax and levies			
Aeronautical		**(130,602)**	(107,525)
Non-aeronautical		**(154,567)**	(129,515)
		(285,169)	(237,040)
Operating expenses			
Depreciation and amortisation		**(1,506,589)**	(1,509,655)
Utilities and power		**(536,398)**	(548,336)
Repairs and maintenance		**(520,709)**	(546,240)
Staff costs		**(391,557)**	(322,857)
Aviation safety and security guard costs		**(353,998)**	(354,687)
Operating contracted services		**(200,101)**	(209,894)
Greening and environmental maintenance		**(189,710)**	(209,805)
Real estate and other taxes		**(152,004)**	(146,024)
Rental expenses		**(101,430)**	(97,711)
Other costs		**(202,699)**	(172,049)
	5	**(4,155,195)**	(4,117,258)

	Note	For the year ended 31 December 2011 RMB'000	2010 RMB'000
Other income	4	**12,881**	368
Operating profit		**2,072,733**	1,422,801
Finance income	6	**139,761**	87,552
Finance costs	6	**(729,161)**	(717,294)
		(589,400)	(629,742)
Share of post-tax profits of a jointly controlled entity		**2,263**	—
Profit before income tax		**1,485,596**	793,059
Income tax expense	7	**(371,603)**	(197,868)
Profit for the year		**1,113,993**	595,191
Total comprehensive income for the year		**1,113,993**	595,191
Earnings per share, basic and diluted *(RMB)*	8	**0.26**	0.14
Dividends			
Interim dividend declared	9	**77,133**	—
Final dividend proposed	9	**257,082**	—

BALANCE SHEET

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

	Note	As at 31 December 2011 RMB'000	2010 RMB'000
EQUITY			
Capital and reserves			
Share capital		**4,330,890**	4,330,890
Share premium		**5,055,425**	5,055,425
Capital reserve		**552,650**	552,650
Statutory and discretionary reserves		**2,321,530**	2,092,121
Retained earnings		**1,954,069**	1,403,700
Proposed final dividend	9	**257,082**	—
Total equity		**14,471,646**	13,434,786
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings	14	**7,500,000**	7,500,000
Bonds payable	15	**4,881,695**	4,877,770
Deferred income tax liabilities		**23,680**	497
Retirement benefit obligations	12	**94,769**	86,200
Deferred income		**2,549**	2,885
Loans from Parent Company	16	**4,431,191**	6,136,868
		16,933,884	18,604,220
Current liabilities			
Trade and other payables	13	**2,027,502**	2,409,712
Interest payable		**260,313**	258,565
Current income tax liabilities		**61,760**	126,198
Current portion of retirement benefit obligations	12	**5,099**	4,598
Current portion of loans from Parent Company	16	**138,925**	142,533
		2,493,599	2,941,606

		As at 31 December	
		2011	2010
	Note	***RMB'000***	*RMB'000*
Total liabilities		**19,427,483**	21,545,826
Total equity and liabilities		**33,899,129**	34,980,612
Net current liabilities		**(141,437)**	(862,240)
Total assets less current liabilities		**31,405,530**	32,039,006

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory and discretionary reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2010		4,330,890	5,055,425	300,000	1,974,416	1,072,945	12,733,676
Total comprehensive income for the year		—	—	—	—	595,191	595,191
2009 final dividend		—	—	—	—	(146,731)	(146,731)
Cash contribution from Parent Company		—	—	252,650	—	—	252,650
Transfer to statutory and discretionary reserves		—	—	—	117,705	(117,705)	—
Balance at 31 December 2010		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Representing:							
Share capital and reserves		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Balance at 31 December 2010		4,330,890	5,055,425	552,650	2,092,121	1,403,700	13,434,786
Balance at 1 January 2011		**4,330,890**	**5,055,425**	**552,650**	**2,092,121**	**1,403,700**	**13,434,786**
Total comprehensive income for the year		**—**	**—**	**—**	**—**	**1,113,993**	**1,113,993**
2011 interim dividend	9	**—**	**—**	**—**	**—**	**(77,133)**	**(77,133)**
Transfer to statutory and discretionary reserves		**—**	**—**	**—**	**229,409**	**(229,409)**	**—**
Balance at 31 December 2011		**4,330,890**	**5,055,425**	**552,650**	**2,321,530**	**2,211,151**	**14,471,646**
Representing:							
Share capital and reserves		**4,330,890**	**5,055,425**	**552,650**	**2,321,530**	**1,954,069**	**14,214,564**
2011 proposed final dividend	9	**—**	**—**	**—**	**—**	**257,082**	**257,082**
Balance at 31 December 2011		**4,330,890**	**5,055,425**	**552,650**	**2,321,530**	**2,211,151**	**14,471,646**

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

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

2. BASIS OF PREPARATION

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

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

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

- Unutilised long-term banking facilities of RMB11 billion.

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

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

(1) Amended standards adopted by the Company

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

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

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

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

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

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

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

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

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

3. REVENUES AND SEGMENT INFORMATION

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

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

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

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

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

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

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

4. OTHER INCOME

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

5. EXPENSES BY NATURE

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

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

* In 2008, the Company acquired the Airfield Assets, Terminal Three of the 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 is situated (collectively the "Phase III Assets"). Please refer to the circular of the Company dated 21 February 2008 for the relevant details.

6. FINANCE INCOME/(COSTS)

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

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% (2010: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

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

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

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

(b) Business taxes

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

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

(c) Urban construction and maintenance tax and Education surcharge

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

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

(d) Real estate tax

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

(e) 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 shares 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 withholding tax.

8. EARNINGS PER SHARE

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

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

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

9. DIVIDENDS

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

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

10. TRADE AND OTHER RECEIVABLES

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

The ageing analysis of the trade receivables is as follows:

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

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

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

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

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

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

Prepayment and other receivables do not contain impaired assets.

11. ASSETS HELD FOR SALE

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

12. RETIREMENT BENEFIT OBLIGATIONS

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

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

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

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

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

(1) the defined contribution scheme under the Annuity Plan applies to all current participating employees that the Company will make annual contributions determined by a specified level of the salary of the participating employees to a privately administered pension insurance plan. The related liabilities of such defined contribution plan have been included in trade and other payables (Note 13(c)).

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

13. TRADE AND OTHER PAYABLES

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

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

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

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

(c) The balance as of 31 December 2011 included the obligations of RMB31,224,000 related to the defined contribution scheme under the Annuity Plan.

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

14. LONG-TERM BANK BORROWINGS

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

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

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

15. BONDS PAYABLE

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

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

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

16. LOANS FROM PARENT COMPANY

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

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

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

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

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

The financial figures above in respect of the announcement of the Company's annual results for the year ended 31 December 2011 (the "Announcement") have been agreed by the Company's international auditor, PricewaterhouseCoopers, to the amounts set out in the Company's financial statements for the year ended 31 December 2011. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Aviation Business Overview

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

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

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

Revenue Overview

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

Aeronautical Revenues

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

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

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

Non-aeronautical Revenues

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

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

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

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

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

The details of non-aeronautical revenues are as follows:

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

Operating Expenses

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

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

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

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

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

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

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

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

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

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

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

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

Other Items in the Statement of Comprehensive Income

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

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

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

Profit For the Year

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

Exposure to Fluctuations in Exchange Rates

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

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

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

Exposure to Fluctuations in Interest Rates

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

Contingent Liabilities

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

Liquidity and Financial Resources

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

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

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

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

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

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

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

Dividend

The Board proposed to distribute dividend of RMB0.05936 per share for the year 2011 (the dividend for the year 2010: Nil), amounting to a total of RMB257,082,000. Such proposal shall be subject to the approval of the shareholders at the 2011 annual general meeting ("AGM") of the Company. The details of the payment of dividends will be set out on the notice of AGM to be issued by the Company in accordance with the requirements of the Listing Rules.

The Company distributed the interim dividends of RMB0.01781 per share for the six months ended 30 June 2011, amounting to the total sum of RMB77,133,000. The total final dividend and interim dividend accounted for approximately 30% of the profit for the year of 2011.

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

Acquisition and Disposal

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

Purchase, Sale or Redemption of Listed Securities

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

Compliance with Code on Corporate Governance Practice

During the year ended 31 December 2011 and from 1 January 2011 to the date of this announcement, the Company has always strictly complied with the code provisions of the Code on Corporate Governance Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Charge on Assets

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

Prospects for 2012

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

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

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

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

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

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

THE ANNUAL RESULTS, ANNUAL REPORT AND NOTICE OF AGM

The annual results of the Company have been reviewed by the audit committee of the Company. The financial figures in respect of this annual results announcement have been agreed by the Company's international auditor, PricewaterhouseCoopers, to the amounts set out in the Company's financial statements for the year ended 31 December 2011. This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk), IR Asia (http://www.irasia.com.hk) and the Company (http://www.bcia.com.cn).

An annual report for the year ended 31 December 2011 containing all the information required by Appendix 16 to the Listing Rules and the Notice of 2011 Annual General Meeting will be despatched to shareholders of the Company and will be available for review on the same websites in due course.

By the order of the Board
Dong Zhiyi
Chairman

Beijing, PRC, 30 March 2012

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

Executive Directors:	Mr. Dong Zhiyi and Mr. Zhang Guanghui
Non-executive Directors:	Mr. Chen Guoxing, Mr. Gao Shiqing, Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Lau Eng Boon and Mr. Yam Kum Weng
Independent Non-executive Directors:	Mr. Japhet Sebastian Law and Mr. Wang Xiaolong, Mr. Jiang Ruiming, Mr. Liu Guibin