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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)

2015 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- In the first half year of 2015, the aircraft movements reached 291,280 sorties, representing an increase of 2.6% as compared with the same period of the previous year. The passenger throughput reached 44,069,884 person-times, representing an increase of 6.0% as compared with the same period of the previous year. The cargo and mail throughput reached 896,910 tonnes, representing an increase of 2.9% as compared with the same period of the previous year.
- In the first half year of 2015, the revenues of the Company were RMB4,158,002,000, representing an increase of 12.4% as compared with the same period of the previous year.
- In the first half year of 2015, the aeronautical revenues of the Company were RMB2,234,231,000, representing an increase of 6.2% as compared with the same period of the previous year.
- In the first half year of 2015, the non-aeronautical revenues of the Company were RMB1,923,771,000, representing an increase of 20.6% as compared with the same period of the previous year.
- In the first half year of 2015, the operating expenses of the Company were RMB2,749,594,000, representing an increase of 12.1% as compared with the same period of the previous year.
- The net profit after tax in the first half year of 2015 of the Company was RMB826,876,000, the earnings per share was RMB0.191, representing an increase of 22.0% as compared with the same period of the previous year.
- The Board resolved to distribute an interim dividend of RMB0.0573 per share for the six months ended 30 June 2015, amounting to the total of RMB248,160,000.

The board of directors (the “Board”) of Beijing Capital International Airport Company Limited (the “Company”) announces the unaudited financial position and operating results of the Company as at 30 June 2015 and for the six months ended on that date, which have been reviewed by the audit committee of the Company (the “Audit Committee”), together with the unaudited comparative figures for the corresponding period of 2014 as follows:

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Unaudited	
		For the six months ended 30 June	
		2015	2014
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenues			
Aeronautical	4	2,234,231	2,104,019
Non-aeronautical	4	1,923,771	1,595,244
		4,158,002	3,699,263
Business tax and levies			
Aeronautical		(4,909)	(3,784)
Non-aeronautical		(58,398)	(46,622)
		(63,307)	(50,406)

		Unaudited	
		For the six months ended 30 June	
		2015	2014
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Operating expenses			
Depreciation and amortisation		(797,672)	(717,733)
Repairs and maintenance		(318,617)	(298,034)
Utilities and power		(315,216)	(303,899)
Concession management fee		(268,351)	–
Staff costs		(261,329)	(241,620)
Aviation safety and security guard costs		(249,360)	(257,801)
Operating contracted services		(155,047)	(133,740)
Greening and environmental maintenance		(101,578)	(99,894)
Real estate and other taxes		(84,640)	(82,428)
Rental expenses		(58,211)	(193,862)
Other costs		(139,573)	(123,974)
		<u>(2,749,594)</u>	<u>(2,452,985)</u>
Other income		<u>8,987</u>	<u>178</u>
Operating profit		1,354,088	1,196,050
Finance income	5	13,657	8,116
Finance costs	5	<u>(264,414)</u>	<u>(305,400)</u>
		<u>(250,757)</u>	<u>(297,284)</u>
Share of post-tax profit of a joint venture		<u>2,762</u>	<u>3,698</u>
Profit before income tax		1,106,093	902,464
Income tax expense	6	<u>(279,217)</u>	<u>(224,798)</u>
Profit for the period		<u>826,876</u>	<u>677,666</u>

		Unaudited	
		For the six months ended 30 June	
		2015	2014
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>
Other comprehensive income/(loss)			
Item that will not be reclassified subsequently to profit or loss			
	Remeasurements of retirement benefit obligations	2,447	(6,953)
	Share of other comprehensive loss of investments in a joint venture	(2,108)	–
Other comprehensive income/(loss) for the period, net of tax		339	(6,953)
Total comprehensive income for the period		827,215	670,713
Earnings per share, basic and diluted (<i>RMB</i>)		0.191	0.156
Dividends			
	Interim dividend declared	248,160	203,119

INTERIM CONDENSED BALANCE SHEET
AS AT 30 JUNE 2015

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2015	2014
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment	9	28,349,485	27,298,979
Land use rights	9	1,175,574	667,945
Intangible assets		45,585	38,804
Investment in a joint venture		56,301	55,647
Deferred income tax assets		117,097	102,050
Other non-current assets	10	53,695	53,671
		29,797,737	28,217,096
Current assets			
Inventories		120,022	118,226
Trade and other receivables	10	1,253,327	1,391,672
Cash and cash equivalents		2,682,311	2,184,273
Other current assets		7,994	–
		4,063,654	3,694,171
Total assets		33,861,391	31,911,267

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2015	2014
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY			
Capital and reserves			
Share capital		4,330,890	4,330,890
Share premium		5,055,425	5,055,425
Capital reserve	11	918,086	927,704
Other reserve		(10,970)	(11,309)
Statutory and discretionary reserves		3,705,658	3,427,412
Retained earnings		3,667,476	3,472,247
Total equity		17,666,565	17,202,369
LIABILITIES			
Non-current liabilities			
Long-term borrowings	13	1,890,000	2,225,000
Bonds payable	14	2,996,035	2,994,976
Retirement benefit obligations		114,669	117,633
Deferred income		8,397	9,217
Loans from the Parent Company	15	2,105,128	2,682,237
		7,114,229	8,029,063

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2015	2014
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current liabilities			
Trade and other payables	12	3,791,749	1,926,554
Interest payable		77,303	221,720
Short-term borrowings	13	2,250,000	2,250,000
Current income tax liabilities		63,570	214,058
Current portion of long-term borrowings	13	2,240,000	10,000
Current portion of bonds payable	14	–	1,899,694
Current portion of retirement benefit obligations		7,609	7,310
Current portion of loans from the Parent Company	15	650,366	150,499
		9,080,597	6,679,835
Total liabilities		16,194,826	14,708,898
Total equity and liabilities		33,861,391	31,911,267
Net current liabilities		(5,016,943)	(2,985,664)
Total assets less current liabilities		24,780,794	25,231,432

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. GENERAL INFORMATION

Beijing Capital International Airport Company Limited (the “Company”) was incorporated as a joint stock company with limited liability in the People’s Republic of China (the “PRC”) on 15 October 1999 and has been listed on The Stock Exchange of Hong Kong Limited since 1 February 2000. The Company is majority owned by Capital Airports Holding Company (“CAHC” or the “Parent Company”), a state-owned enterprise established in the PRC under the control of the Civil Aviation Administration of China (“CAAC”).

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

This condensed interim financial information is presented in Renminbi (“RMB”), unless otherwise stated. This condensed interim financial information was approved by the Board of Directors for issue on 27 August 2015.

This condensed interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with the International Financial Reporting Standards (“IFRS”).

As at 30 June 2015, the current liabilities of the Company exceeded the current assets by RMB5,016,943,000 (as at 31 December 2014: RMB2,985,664,000). 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 condensed interim financial information of the Company for the six months ended 30 June 2015 has been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Amendments to IFRSs effective for the financial year ending 31 December 2015 do not have a material impact on the Company.

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

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

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the Company's internal reporting in order to assess performance and allocate resources.

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

Analysis of revenue by category**For the six months ended 30 June**

	2015	2014
	RMB'000	RMB'000
Aeronautical		
Passenger charges	869,821	820,090
Aircraft movement fees and related charges	807,149	756,897
Airport fee (<i>note a</i>)	557,261	527,032
	2,234,231	2,104,019
Non-aeronautical		
Concessions	1,301,603	991,595
Rentals	528,386	510,999
Car parking fee	90,341	89,479
Others	3,441	3,171
	1,923,771	1,595,244
Total revenues	4,158,002	3,699,263

As the Company is domiciled in the PRC from where all of its revenue from external customers for the six months ended 30 June 2015 and 2014 are derived and in where all of its assets are located, no geographical segment information is shown.

- (a) Airport fee represents Civil Aviation Development Fund (the “Airport Fee”). Pursuant to the “Notice regarding the Issuance of Levy and Utilisation Methods of Civil Aviation Development Fund” issued by Ministry of Finance of the People’s Republic of China on 17 March 2012, with effect from 1 April 2012 to 31 December 2015, the civil airport management and construction fee has been converted to the Civil Aviation Development Fund which is imposed on passengers at the same rate of the previously charged civil airport management and construction fee.

Accordingly, the Company recognised the Airport Fee revenue using the same rate of previously recognised civil airport management and construction fee.

5. FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Exchange gain, net	507	–
Interest income	13,150	8,116
	<u>13,657</u>	<u>8,116</u>
Finance costs		
Exchange loss, net	–	(23,112)
Interest for borrowings wholly repayable within 5 years	(163,482)	(145,041)
Interest for bonds payable wholly repayable within 5 years	(77,723)	(113,337)
Interest for loans from the Parent Company		
– Wholly repayable within 5 years	(14,260)	(14,969)
– Not wholly repayable within 5 years	(7,843)	(7,876)
Bank charges	(1,106)	(1,065)
	<u>(264,414)</u>	<u>(305,400)</u>
Net finance costs	<u>(250,757)</u>	<u>(297,284)</u>

6. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2014: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	For the six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	295,080	248,983
Deferred income tax	(15,863)	(24,185)
	<u>279,217</u>	<u>224,798</u>

7. EARNINGS PER SHARE

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

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

	For the six months ended 30 June	
	2015	2014
Profit attributable to owners of the Company (<i>RMB'000</i>)	826,876	677,666
Basic earnings per share (<i>RMB per share</i>)	<u>0.191</u>	<u>0.156</u>

8. DIVIDENDS

	For the six months ended 30 June	
	2015	2014
Dividend proposed		
Interim dividend (<i>RMB'000</i>)	248,160	203,119
Interim dividend per share (<i>RMB</i>)	<u>0.0573</u>	<u>0.0469</u>

A dividend of RMB353,401,000 that relates to the year ended 31 December 2014 (for the year ended 31 December 2013: RMB329,581,000) has been approved in the Annual General Meeting on 24 June 2015.

The interim dividend for the six months ended 30 June 2015 was proposed at the Board of Directors meeting held on 27 August 2015. This proposed dividend is not reflected as a dividends payable in the condensed interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2015.

9. PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

	Property, plant and equipment <i>RMB'000</i>	Land use right <i>RMB'000</i>
Six months ended 30 June 2015		
Net book value		
Opening amount as at 1 January 2015	27,298,979	667,945
Additions	1,823,578	521,660
Depreciation and amortisation	(772,181)	(14,031)
Disposals	<u>(891)</u>	<u>–</u>
Closing amount as at 30 June 2015	<u>28,349,485</u>	<u>1,175,574</u>
Six months ended 30 June 2014		
Net book value		
Opening amount 1 January 2014	28,492,753	684,280
Additions	37,016	–
Depreciation and amortisation	<u>(702,610)</u>	<u>(8,168)</u>
Closing amount 30 June 2014	<u>27,827,159</u>	<u>676,112</u>

In January 2015, the Company completed the acquisition of airport-related assets under the Building D of Terminal Three and Ancillary Assets (the “T3D Assets”) pursuant to the relevant agreement of the assets transfer agreement (the “Agreement”) entered into by the Company and the Parent Company on 31 October 2014. The Agreement has been approved by the independent shareholders of the Company in the Extraordinary General Meeting on 18 December 2014 (the “Approval Date”). According to the Agreement, both parties confirmed that the total consideration amounted to RMB2,177,290,000. The Company has paid part of the consideration amounting to RMB1,171,860,000 by cash to the Parent Company by 30 June 2015 and the remaining balance of the consideration shall be paid by the Company to the Parent Company within one year from the Approval Date by way of cash.

Pursuant to the Agreement, the parties agreed that the total consideration is determined based on the valuation performed by independent valuer and is subject to further adjustments (if any) according to the endorsement of the valuation results by the government authorities. Management does not expect to have an adjustment of more than 10% of the current valuation result. In the event that the adjustment is within the range of 10% of current valuation results, the corresponding party shall pay/reimburse the other party the difference between the consideration and the adjusted consideration (as the case may be). In the event that the adjustment is outside the range of 10% of the valuation result, the parties shall enter into a supplemental agreement in writing to make further arrangements.

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2015 <i>RMB'000</i>	As at 31 December 2014 <i>RMB'000</i>
Trade receivables		
– CAHC's subsidiaries	40,929	205,629
– a joint venture of the Company	69	139
– third parties	1,259,798	1,174,629
	<u>1,300,796</u>	<u>1,380,397</u>
Less: provision for impairment	(95,994)	(79,891)
	<u>1,204,802</u>	<u>1,300,506</u>
Bill receivable		
– third parties	23,747	32,035
Dividend receivable		
– a joint venture of the Company	3,230	3,230
Prepayments and other receivables		
– CAHC and its subsidiaries	51,429	90,483
– third parties	23,814	19,089
	<u>75,243</u>	<u>109,572</u>
Total trade and other receivables	<u>1,307,022</u>	<u>1,445,343</u>
Less: non-current portion	(53,695)	(53,671)
Current portion	<u>1,253,327</u>	<u>1,391,672</u>

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

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Less than 3 months	767,256	957,625
4 – 6 months	69,652	46,890
7 – 12 months	138,185	79,254
1 – 2 years	145,177	138,616
2 – 3 years	108,687	101,720
Over 3 years	71,839	56,292
	<u>1,300,796</u>	<u>1,380,397</u>

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

11. CAPITAL RESERVES

Capital reserve represents equity contributions from CAHC in cash to which CAHC is fully entitled. In accordance with relevant government authorities' instruction, this amount is to be accounted for as capital reserve of the Company for the benefit of the Parent Company and it is not to be distributed as dividend. In future, when the Company increases its share capital, the capital reserve may be converted into shares of the Company to be held by CAHC, provided appropriate conditions are met. The conversion is however subject to obtaining prior approval from the relevant government authorities and shareholders.

12. TRADE AND OTHER PAYABLES

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Payables to CAHC	1,153,909	163,868
Payables to CAHC's subsidiaries	681,297	404,668
Payables to a joint venture of the Company	139,169	141,537
Payables to third parties		
– Deed taxes in respect of the acquisition of the Phase III assets* and T3D Assets	357,335	312,578
– Dividends payable	353,401	–
– Repairs and maintenance charges payable	255,127	244,211
– Advance from customers	192,917	55,468
– Construction payable	148,488	158,307
– Payroll and welfare payable	148,164	110,986
– Deposits received	73,008	74,785
– Receipts on behalf of concession operators	37,413	–
– Sub-contracting charges payable	36,560	18,021
– Other tax payable	33,891	27,848
– Accounts payable for purchases	28,335	38,725
– Greening and environmental maintenance charges payable	27,855	21,880
– Other payables	124,880	153,672
	<u>3,791,749</u>	<u>1,926,554</u>

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

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Less than 3 months	1,438,073	1,075,128
4 – 6 months	1,446,982	119,204
7 – 12 months	280,464	101,995
Over 12 months	626,230	630,227
	3,791,749	1,926,554

- * In 2008, the Company acquired the airfield assets, Terminal Three of Beijing Capital Airport (T3), T3 related assets, roads within airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related constructions are situated (collectively the “Phase III Assets”).

13. BORROWINGS

	As at 30 June 2015 RMB'000	As at 31 December 2014 RMB'000
Short-term (<i>note a</i>)	2,250,000	2,250,000
Long-term		
– non-current portion (<i>note b</i>)	1,890,000	2,225,000
– current portion (<i>note b</i>)	2,240,000	10,000
	6,380,000	4,485,000

Movements in borrowings are analysed as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'000	RMB'000
Opening amount as at 1 January	4,485,000	5,995,000
Proceeds of new borrowings	4,150,000	2,500,000
Repayments of borrowings	(2,255,000)	(3,505,000)
Closing amount as at 30 June	<u>6,380,000</u>	<u>4,990,000</u>

- (a) As at 30 June 2015, this loan is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. The principal amount is repayable in May 2016.
- (b) The loan with the principal amount of RMB1,900,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 will be paid semi-annually commencing on 29 July 2015 through 29 July 2017 and the remaining balance will be paid in 2018.

The loan with the remaining amount of RMB2,230,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 will be paid semi-annually commencing on 20 November 2013 through 20 November 2015 and the remaining balance will be paid in May 2016. Thus the loan with the remaining balance of RMB2,230,000,000 as at 30 June 2015 is reclassified as current liabilities.

The fair value of the long-term borrowings as at 30 June 2015 approximates to its carrying amount.

14. BONDS PAYABLE

	As at 30 June 2015 <i>RMB'000</i>	As at 31 December 2014 <i>RMB'000</i>
Principal amount	3,000,000	4,900,000
Bonds issuance cost	<u>(15,704)</u>	<u>(25,650)</u>
Proceeds received	2,984,296	4,874,350
Accumulated amortisation amounts of bonds issuance cost	<u>11,739</u>	<u>20,320</u>
	<u>2,996,035</u>	<u>4,894,670</u>
Less: current portion	<u>–</u>	<u>(1,899,694)</u>
Non-current portion	<u><u>2,996,035</u></u>	<u><u>2,994,976</u></u>

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, respectively.

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

On 29 January 2015, the principal amount of RMB1,900,000,000 was repaid by the Company.

The fair value of the bonds payable at 30 June 2015 is RMB2,961,418,000 which is based on discounted cash flows with the applicable discount rate of 5.5% representing the prevailing market rate of interest available to the Company for financial instruments with substantially the same terms and characteristics as at the balance sheet date. The fair value is within level 2 of the fair value hierarchy.

15. LOANS FROM THE PARENT COMPANY

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

	Loans previously obtained by the Parent Company from		Total
	European Investment Bank (note a) RMB'000	Domestic financial institutions (note b) RMB'000	
As at 30 June 2015			
Loans from the Parent Company	2,255,494	500,000	2,755,494
Less: current portion	(150,366)	(500,000)	(650,366)
	<u>2,105,128</u>	<u>–</u>	<u>2,105,128</u>
As at 31 December 2014			
Loans from the Parent Company	2,332,736	500,000	2,832,736
Less: current portion	(150,499)	–	(150,499)
	<u>2,182,237</u>	<u>500,000</u>	<u>2,682,237</u>

	For the six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Opening amount as at 1 January	2,832,736	2,974,266
Repayments of borrowings	(76,530)	(76,804)
Currency translation differences	(712)	23,824
Closing amount as at 30 June	<u>2,755,494</u>	<u>2,921,286</u>

- (a) This loan is denominated in the US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. The interest is payable semi-annually. The principal amount is repayable by instalments semi-annually commencing 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. The principal amount will be repayable in full in February 2016. Thus the remaining balance of RMB500,000,000 as at 30 June 2015 is reclassified as current liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Aeronautical Business

In the first half year of 2015, benefited from the recovery in the aviation market and the continuous high demand for air travel of passengers, the air traffic volumes of the Beijing Capital Airport maintained a stable growth. Among which, the air traffic volumes of international routes, as well as Hong Kong, Macau & Taiwan, continued to grow faster than the domestic volumes.

In the first half year of 2015, the cumulative aircraft movements in Beijing Capital Airport reached 291,280 sorties, representing an increase of 2.6% as compared with the same period of the previous year. The cumulative passenger throughput reached 44,069,884 person-times, representing an increase of 6.0% as compared with the same period of the previous year. The cumulative cargo and mail throughput reached 896,910 tonnes, representing an increase of 2.9% as compared with the same period of the previous year. Detailed information is set out in the table below:

	For the six months ended 30 June		
	2015	2014	Change
Aircraft Movements (<i>unit: sorties</i>)	291,280	283,966	2.6%
including: Domestic	227,336	222,653	2.1%
International, Hong Kong, Macau & Taiwan	63,944	61,313	4.3%
Passenger Throughput (<i>unit: person-times</i>)	44,069,884	41,578,291	6.0%
including: Domestic	33,371,253	31,691,154	5.3%
International, Hong Kong, Macau & Taiwan	10,698,631	9,887,137	8.2%
Cargo and mail throughput (<i>unit: tonnes</i>)	896,910	871,642 ^(Note 1)	2.9%
including: Domestic	498,566	475,764	4.8%
International, Hong Kong, Macau & Taiwan	398,344	395,878	0.6%

Note 1: The figure of cargo and mail throughput was amended at the end of 2014.

Aeronautical Revenues

	Unaudited For the six months ended 30 June		
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	Change
Passenger charges	869,821	820,090	6.1%
Aircraft movement fees and related charges	807,149	756,897	6.6%
Airport fee	557,261	527,032	5.7%
Total aeronautical revenues	2,234,231	2,104,019	6.2%
Less: Business tax and levies	(4,909)	(3,784)	29.7%
Aeronautical revenues, net of business tax and levies	2,229,322	2,100,235	6.1%

In the first half year of 2015, the total aeronautical business revenues of the Company were RMB2,234,231,000, representing an increase of 6.2% as compared with the same period of the previous year.

In the first half year of 2015, revenues from passenger charges were RMB869,821,000, representing an increase of 6.1% as compared with the same period of the previous year, which was mainly benefited from the stable growth of passenger throughput.

In the first half year of 2015, revenues from aircraft movement fees and related charges were RMB807,149,000, representing an increase of 6.6% as compared with the same period of the previous year, and outpacing the growth rate of aircraft movements, which was mainly due to the comprehensive promotion by the factors including the growth in aircraft movements, optimisation of route structures and the higher proportion of large aircrafts.

In the first half year of 2015, the airport fee revenues of the Company were RMB557,261,000, representing an increase of 5.7% as compared with the same period of the previous year, the growth of which was basically the same as the growth of the passenger throughput.

Overview of Non-aeronautical Business

Since 1 January 2015, the Company has changed its original concession model of the advertising, retail, food and beverage business by entering into the Advertising Management Agreement with Beijing Capital Airport Advertising Company Limited (the “Advertising Company”), the International Retail Management Agreement and the Domestic Retail Leasing Agreement with Beijing Capital Airport Commercial and Trading Company Limited (the “Commercial and Trading Company”), the Food and Beverage Management Agreement and the Food and Beverage Leasing Agreement with Beijing Capital Airport Food Management Company Limited (the “Food Management Company”) (together referred to as the “New Non-aviation Related Contracts”). The Company authorised Advertising Company, Commercial and Trading Company and Food Management Company (together referred to as the “professional companies”) to enter into concession agreements with independent third party commercial tenants engaged in the concession business of advertising, retail, food and beverage in Beijing Capital Airport on behalf of the Company. Pursuant to the new concession model of non-aeronautical business, the Company directly charged concession fees from independent third party commercial tenants and paid concession management fees to the professional companies.

The adjustment on the concession model of the advertising, retail, food and beverage businesses changed the earning sharing pattern between the Company and the professional companies which were responsible for the concession business in Beijing Capital Airport mentioned above (*Note 2*), and directly affected the non-aeronautical revenues and operating expenses of the Company in the financial statements (*Note 3*). Meanwhile, the adjustment of concession business has further promoted the optimisation and development of the non-aeronautical business of the Beijing Capital Airport.

Note 2: The method to recognise the concession revenues changed from charging the higher of the base concession fees or a certain percentage of turnover of the professional companies under the original concession model to directly charge concession fees from independent third party commercial tenants and pay concession management fees to the professional companies.

Note 3: The expenses of “concession management fees” were generated while the concession revenues of the Company increased obviously.

Non-aeronautical Revenues

	Unaudited For the six months ended 30 June		
	2015	2014	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Concessions	1,301,603	991,595	31.3%
including: Advertising	535,417	406,433	31.7%
Retailing	529,934	433,736	22.2%
Restaurants and food shops	93,017	59,282	56.9%
Ground handling	58,424	22,601	158.5%
VIP services	35,653	35,653	0.0%
Air catering	15,204	—	—
Others	33,954	33,890	0.2%
Rentals	528,386	510,999	3.4%
Car parking fees	90,341	89,479	1.0%
Others	3,441	3,171	8.5%
Total non-aeronautical revenues	<u>1,923,771</u>	<u>1,595,244</u>	20.6%
Less: Business tax and levies	<u>(58,398)</u>	<u>(46,622)</u>	25.3%
Non-aeronautical revenues, net of business tax and levies	<u>1,865,373</u>	<u>1,548,622</u>	20.5%

In the first half year of 2015, the non-aeronautical revenues of the Company were RMB1,923,771,000, representing an increase of 20.6% as compared with the same period of the previous year.

In the first half year of 2015, the concession revenues of the Company were RMB1,301,603,000, representing an increase of 31.3% as compared with the same period of the previous year, which was mainly due to the substantial increase in revenues of advertising, retailing, restaurants and food concession shops of the Company in accordance with the revenues recognition method in the new concession model under the New Non-aviation Related Contracts. Among which, the concession revenues from advertising were RMB535,417,000, representing an increase of 31.7% as compared with the same period of the previous year; the concession revenues from retailing were RMB529,934,000, representing an increase of 22.2% as compared with the same period of the previous year. Apart from the impact of the adjustments on concession model on the revenue, the recovery in the growth rate of passenger throughput, especially the increase in retailing amount due to the growth in international passenger throughput with high consumption abilities, as well as the effective motivation of the new concession model on commercial tenants and other factors further facilitated the stable increase in retailing revenues. The concession revenues from restaurants and food shops were RMB93,017,000, representing an increase of 56.9% as compared with the same period of the previous year. Apart from the impact of adjustments on concession model on the revenue, the increase in passenger throughput and passenger consumption abilities, as well as the effective promotion of the new concession model on the marketing development of the restaurants and food shops business, expedited the improvement of the overall revenues in the restaurants and food shops business. The concession revenues from ground handling service were RMB58,424,000, representing an increase of 158.5% as compared with the same period of the previous year, mainly resulted from the fact that the Company reached an agreement with its major clients regarding the concession fees of the ground handling service, and the revenues from such service of the first half year of 2015 were recognised during the period, while the relevant revenue was not recognised because no agreement was entered into in the first half year of 2014. The concession revenues from VIP services were RMB35,653,000, basically remaining flat as compared with the same period of the previous year. The newly-added concession revenues from air catering were RMB15,204,000, mainly because the Company entered into the Air Catering Concession Agreement with Beijing Air Catering Ltd., and the revenues from such service of the first half year of 2015 were recognised during the period, while the relevant revenue was not recognised because no agreement was entered into in the first half year of 2014. Other concession revenues were RMB33,954,000, representing an increase of 0.2% as compared with the same period of the previous year.

In the first half year of 2015, the rental revenues of the Company were RMB528,386,000, representing an increase of 3.4% as compared with the same period of the previous year, mainly due to the increases in the rental areas of the relevant commercial resources and the rental price in the terminals.

In the first half year of 2015, the car parking service fee of the Company was RMB90,341,000, representing an increase of 1.0% over the same period of the previous year.

Operating expenses

	Unaudited For the six months ended 30 June		
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i> (Restated)	Change
Depreciation and amortisation	797,672	717,733	11.1%
Repair and maintenance	318,617	298,034	6.9%
Utilities and power	315,216	303,899	3.7%
Concession management fees	268,351	—	—
Staff costs	261,329	241,620	8.2%
Aviation safety and security guard costs	249,360	257,801	-3.3%
Operating contracted services	155,047	133,740	15.9%
Greening and environmental maintenance	101,578	99,894	1.7%
Real estate and other taxes	84,640	82,428	2.7%
Rental expenses	58,211	193,862	-70.0%
General, administrative and other costs	139,573	123,974	12.6%
Total operating expenses	<u>2,749,594</u>	<u>2,452,985</u>	12.1%

In the first half year of 2015, the operating expenses of the Company were RMB2,749,594,000, representing an increase of 12.1% as compared with the same period of the previous year.

In the first half year of 2015, the depreciation and amortisation expenses of the Company were RMB797,672,000, representing an increase of 11.1% as compared with the same period of the previous year, mainly due to the additional depreciation and amortisation expenses from T3D Assets which had been acquired by the Company from the Parent Company since the beginning of 2015.

In the first half year of 2015, the repair and maintenance expenses of the Company were RMB318,617,000, representing an increase of 6.9% as compared with the same period of the previous year, mainly because more operating maintenance were required under the high-intensity operation of the airfield area and terminals.

In the first half year of 2015, the utilities and power expenses of the Company were RMB315,216,000, representing an increase of 3.7% as compared with the same period of the previous year.

In the first half year of 2015, the newly-added concession management fees of the Company were RMB268,351,000, mainly due to the relevant expenses incurred from the management services provided by the Advertising Company, the Commercial and Trading Company and the Food Management Company under the concession management of the Company pursuant to the New Non-aviation Related Contracts.

In the first half year of 2015, the staff costs of the Company were RMB261,329,000, representing an increase of 8.2% as compared with the same period of the previous year, mainly due to the increase of performance bonus as compared with the same period of the previous year resulted from the satisfactory results of the Company in the first half year of 2015.

In the first half year of 2015, the aviation safety and security guard costs of the Company were RMB249,360,000, representing a decrease of 3.3% as compared with the same period of the previous year, mainly due to the decrease in engineering safety and security guard services related to the engineering projects.

In the first half year of 2015, the operating contracted services costs of the Company were RMB155,047,000, representing an increase of 15.9% as compared with the same period of the previous year, mainly due to the increase in relevant operating services resulted from the business growth, and the optimisation on passenger procedures by the Company to promote operating efficiency and optimise passenger experiences.

In the first half year of 2015, the rental expenses of the Company were RMB58,211,000, representing a decrease of 70.0% as compared with the same period of the previous year, mainly because the Company did not need to pay relevant rental expenses after the acquisition of T3D Assets from the Parent Company since the beginning of 2015.

In the first half year of 2015, the general, administrative and other costs of the Company were RMB139,573,000, representing an increase of 12.6% as compared with the same period of the previous year, mainly due to the provision for impairment of trade receivables.

Other Items in the Statement of Comprehensive Income

For the six months ended 30 June 2015, the Company's liabilities denominated in US Dollar generated exchange gains due to the slight decrease in the exchange rate of US Dollar to RMB while exchange losses were recorded for the same period in 2014; in addition, the average balance of borrowings in the first half year of 2015 was lower than that in the same period of 2014. As such, the net financial costs of the Company after deducting the financial incomes was RMB250,757,000, representing a decrease of 15.7% as compared with the same period of the previous year.

For the six months ended 30 June 2015, the income tax expense of the Company was RMB279,217,000.

PROSPECT FOR THE SECOND HALF YEAR OF 2015

In the second half year of 2015, benefited from the continuous exuberant demand for travelling and the further enhanced routes marketing of the Company, as well as the optimization of the flight structure, the air traffic volumes of Beijing Capital Airport will maintain the development momentum of a steady growth. Meanwhile, due to the impact of special weather, resources bottleneck and other factors on the airport's daily operation, the punctuality of flights in Beijing Capital Airport is still confronted with heavy pressure. In addition, the growth of the air traffic volumes is faced with some uncertainties as well. Therefore, the Company will pay close attention to such issues, and spare no effort to overcome the challenges brought by various objective factors, in order to ensure the stable increase of business.

In the second half year of 2015, confronted with the increasingly serious situation of aviation safety and security, as well as operation stress, within the country and abroad, the Company will continue to strengthen the safety management and comprehensively consolidate the safety basis to ensure the continuous safety. In the meantime, the Company will improve its operation quality and efficiency, promote the passengers' service experience by further developing its operation potential, so as to ensure the steady and smooth operation.

In the second half year of 2015, the Company will continuously accelerate its structural adjustment and profoundly develop the business resource value for the purpose of promoting the business performance and development quality. Combined with the "One Belt, One Road", the "synergetic development of Beijing, Tianjin and Hebei Province" and other national strategies, the Company will continue to study and optimize the existing routes network and structure to promote the increase of the proportion of international business. Meanwhile, the Company will carry on promoting the business performance through advancing the marketing development of non-aeronautical business. With the opportunity of the merchants of the international retail in terminals and advertisement contracts in Terminal Three, the Company will give full play to its business management advantages under the new non-aeronautical business model and develop its merchants business collaborating with its business cooperative partners to propel the optimization of commercial brands and the improvement of commercial values of the terminals. The Company will also expand and deepen the development of air catering, business jet and other business of transferring operating rights for compensation to further explore business potential and increase revenue.

In the second half year of 2015, the Company will continue to advance the communication and cooperation with governments in an active manner to strive for policy support which will benefit the long-term development of the Company. Coping with the fact that the existing airport fee policy will expire by the end of the year, the Company will keep an eye on such issue and proactively communicate with relevant government authorities striving for the extension of such policy. Furthermore, with the entry point of promoting the construction of airport trade facilitation demonstrative area, the Company will proactively strive for supporting policies from CAAC, General Administration of Customs of China and Beijing Municipal Government to expand space of freight development.

In the second half year of 2015, the Company will continue to carry out the international communications and cooperation in a profound and deep manner. Through further enhancement of international and regional cooperation, the Company will carry out special cooperation with various sister airports to seek for management export opportunities and improve its international competitiveness. Moreover, the Company will establish friendly cooperative relationship with more airports, to assist its layout of international routes network.

In recent years, along with the saturation of operation resources, the operation pressure of Beijing Capital Airport is steadily on the increase. For the purpose of easing the restrictions of resource bottleneck on Beijing Capital Airport as well as the business development of the Company, the Company continuously focus on the study and demonstration of the supplement to operation resources. In the second half of 2015, with the emphasis on concentrating and promoting the study and demonstration work in relation to the overall resources supplemental scheme including the construction of the fourth runway, the Company will establish a more thorough resource blue print for the further sustainable development of Beijing Capital Airport.

INTERIM DIVIDENDS

The Board of the Company resolved to distribute the interim dividends of RMB0.0573 per share for the six months ended 30 June 2015, amounting to the total of approximately RMB248,160,000 (the interim dividends distributed for 2014: RMB0.0469 per share, amounting to the total of approximately RMB203,119,000).

Pursuant to the Company's articles of association, dividends payable to holders of domestic shares will be paid in RMB, while dividends payable to holders of H shares will be paid in Hong Kong dollar. The dividends payable in Hong Kong dollar will be calculated basing on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China over a period of one calendar week prior to the declaration of the dividends. During such period (i.e., from 17 August 2015 to 23 August 2015), the average exchange rate of RMB to Hong Kong dollar was HK\$1.00 = RMB0.82457. Accordingly, the amount of the interim dividends for each H share of the Company for the six months ended 30 June 2015 is HK\$0.06949.

The register of members of the Company will be temporarily closed from Friday, 25 September 2015 to Tuesday, 29 September 2015 (both days inclusive), during which period no transfer of shares will be registered. The interim dividends are expected to be paid on or before Tuesday, 10 November 2015, to the shareholders whose names appear on the register of members on Tuesday, 29 September 2015.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent (the “Receiving Agent”) which will receive the 2015 interim dividend declared from the Company on behalf of the holders of H shares. The 2015 interim dividend will be paid by the Receiving Agent on or before 10 November 2015 and the dividend warrants will be posted by the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, by ordinary mail to the holders of H shares who are entitled to receive the dividend at their own risk.

In order to be qualified for the payment of the interim dividend, holders of H shares whose transfers have not been registered are requested to deposit the transfer documents together with the relevant share certificates to the Company’s H share registrar: Hong Kong Registrars Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 24 September 2015.

Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China” and the “Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China”, both implemented in 2008, and the “Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H Shares” (Guo Shui Han [2008] No.897) issued by China’s State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% when distributing the 2015 interim dividend to the non-resident enterprise H share shareholders (the “H Shareholders”) whose names appear on the register of members for H shares of the Company on the relevant record date, i.e. Tuesday, 29 September 2015 (the “Record Date”). For the H Shareholders who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which shall be treated as “non-resident enterprise” shareholders) on the register of members for H shares of the Company on the Record Date, the Company will distribute the 2015 interim dividend, after withholding and paying enterprise income tax of 10%.

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

Based on the Company's consultations with the relevant PRC tax authorities, for all natural persons whose names are registered on the register of members for H shares of the Company, being a foreign investment enterprise, on the Record Date, no income tax will be required to be withheld and paid by the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Company had total cash and cash equivalents amounting to RMB2,682,311,000, while the cash and cash equivalents of the Company amounted to RMB2,184,273,000 as at 31 December 2014.

As at 30 June 2015, the Company's short-term borrowings were RMB2,250,000,000; long-term borrowings were RMB4,130,000,000; loans from the Parent Company were RMB2,755,494,000; bonds payable were RMB2,996,035,000.

As at 30 June 2015, the Company had unutilised long-term bank credit facilities of RMB11 billion (31 December 2014: RMB 13 billion).

As at 30 June 2015, the current ratio of the Company was 44.75%, and that as at 31 December 2014 was 55.30%. Such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates.

As at 30 June 2015, the liability-to-asset ratio of the Company was 47.83%, and that as at 31 December 2014 was 46.09%. Such ratios were computed by dividing the total amount of liabilities by the total assets as at those respective dates.

For the first half year of 2015, the Company's net cash generated from operating activities amounted to RMB2,292,795,000, while net cash generated from operating activities amounted to RMB1,716,885,000 in the same period of the previous year.

For the first half year of 2015, net cash used in investing activities amounted to RMB1,296,047,000, while net cash used in investing activities amounted to RMB276,084,000 in the same period of the previous year.

For the first half year of 2015, the Company's net cash used in financing activities amounted to RMB498,622,000, while net cash used in financing activities amounted to RMB1,452,323,000 in the same period of the previous year.

CHARGE ON ASSETS

During the six months ended 30 June 2015, there was no material charge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the six months ended 30 June 2015, apart from the acquisition of T3D Assets from the Parent Company (details of which are set out in note 9 to the condensed interim financial information), the Company had no merger, acquisition or disposal.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

The Company had not purchased, sold or redeemed any of its shares during the six months ended 30 June 2015.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

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, repayment of part of the loans from the Parent Company and distribution of dividends to the shareholders of H Shares, which are paid in United States dollars ("US dollars" or "USD") and Hong Kong dollars ("HK dollars").

According to the overall plan of the acquisition of the Phase III Assets (*Note 4*), the Company assumed the responsibility for repayment of the US dollar-denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 30 June 2015. Therefore, the fluctuation of RMB exchange rate against the US dollar will affect the financial results of the Company.

Note 4: In 2008, the Company acquired the airfield assets (including runway, taxiways, aprons, road non-asphalt layers, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport and relevant facilities, roads within the airport area, the driverless electric train system, commercial areas and other relevant facilities and equipment, and the land use rights of the land on which Terminal Three and other auxiliary buildings are situated (collectively as the "Phase III Assets").

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

As at 30 June 2015, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB99,492,000 (as at 31 December 2014: RMB92,691,000), trade and other receivables of approximately RMB3,609,000 (as at 31 December 2014: RMB3,485,000), trade and other payables of approximately RMB9,472,000 (as at 31 December 2014: RMB5,502,000), and loans from the Parent Company of approximately RMB2,255,494,000 (as at 31 December 2014: RMB2,332,736,000).

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the non-current portion and current portion of the Company's loans from the Parent Company is RMB2,755,494,000, 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 interbank repo rate published by China Foreign Exchange Trading Centre & National Interbank Funding Centre. The borrowings of the Company totaled RMB6,380,000,000 and their interest rates were referenced to the benchmark interest rates announced by the People's Bank of China. As such, any change in LIBOR and adjustment in interest rates of the People's Bank of China will affect the interest expenses and financial results of the Company.

MATERIAL INVESTMENT, MATERIAL INVESTMENT PLAN AND MATERIAL FINANCING PLAN

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

CONTINGENT LIABILITIES

The Company had no significant contingent liabilities as at 30 June 2015.

EMPLOYEES AND EMPLOYEES' WELFARE

1. As at 30 June 2015, the number of employees of the Company was as follows, together with the comparative figures for the same date in the previous year:

	As at 30 June 2015	As at 30 June 2014
Number of employees	<u>1,646</u>	<u>1,672</u>

The remuneration policy of employees of the Company is determined by the management based on market practice. A position performance-based salary regime is adopted on the basis of position value and centred on performance evaluation. The remuneration system, under dynamic management, is competitive externally and fair internally, and fulfills concurrent growth in the employees' income and the Company's profit as well as concurrent increase in remuneration of labour and labour productivity.

2. Employees' basic medical insurance and commercial medical insurance

With effect from 1 January 2003, the Company has implemented the regulations of basic medical insurance in accordance with the requirements of the Beijing Municipal Government. According to the regulations, the Company pays the basic medical insurance and mutual insurance for large sum medical expenses for its employees at 9% and 1%, respectively, of the average monthly salaries of its employees in the previous year.

In addition, the Company may on a voluntary basis provide supplemental medical insurance benefits to its employees within 4% of the average monthly salaries of its employees in the previous year. Meanwhile, the Company no longer pays cash medical subsidies or medical compensations to its employees. Therefore, implementation of the above mentioned requirements for basic medical insurance will not cause any material impact on the Company's balance sheet and statement of comprehensive income.

MATERIAL LITIGATION OR ARBITRATION

During the reporting period, the Company was not involved in any material litigation or arbitration.

ENTRUSTED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 30 June 2015, the Company did not have any entrusted deposits or uncollected fixed deposits upon maturity placed with any financial institutions or any other entities.

CAPITAL STRUCTURE AND CHANGES

1. Capital Structure

As at 30 June 2015, the total number of issued share capital of the Company was 4,330,890,000 shares, including:

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

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

As at 30 June 2015, the interests and long positions and short positions held by the following persons, other than directors or supervisors of the Company, as recorded in the register required to be kept by the Company under Section 336 of the Securities of Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) were as follows:

Name of substantial shareholder	Class of shares	Number of shares interested	Capacity	Percentage of shareholding to the relevant class	Percentage to total issued share capital
Capital Airports Holding Company (<i>Note 1</i>)	Domestic shares	2,451,526,000(L)	Beneficial owner	100%	56.61%
NWS Holdings Limited	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Cheng Yu Tung Family (Holdings II)Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Cheng Yu Tung Family (Holdings) Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook (Holding) Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook Capital Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Chow Tai Fook Enterprises Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Fortland Ventures Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Beneficial owner	23.86%	10.35%
New World Development Company Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
NWS Ports Management Limited (<i>Note 2</i>)	H shares	448,342,000(L)	Interest of corporation controlled by the substantial shareholder	23.86%	10.35%
Blackrock,Inc	H shares	109,249,095(L) 2,988,000(S)	Interest of corporation controlled by the substantial shareholder	5.81% 0.16%	2.52% 0.07%
JP Morgan Chase & Co.	H shares	106,360,052(L) 5,100,000(S) 46,522,211(P)	Interest of corporation controlled by the substantial shareholder	5.65% 0.27% 2.47%	2.46% 0.12% 1.07%

(L) = Long Position

(S) = Short Position

(P) = Lending Pool

Note:

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

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

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

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

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

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

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

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

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

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

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

NWS holds 100% interest in NWS Ports Management Limited, which holds 100% interest in Fortland Ventures Limited.

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

SHORT POSITION IN SHARES

According to the register required to be kept by the Company under Section 336 of the SFO, as at 30 June 2015, there were no other people or substantial shareholders holding any short positions in the shares and underlying shares of the Company save as disclosed above.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 30 June 2015.

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

As at 30 June 2015, none of the directors or the supervisors or chief executives of the Company had any interests or short positions in any shares, any underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). None of the directors, the supervisors and chief executives of the Company, or their associates had been granted or had exercised any such rights for the six months ended 30 June 2015.

AUDIT COMMITTEE

The Audit Committee was established on 10 January 2000. On 30 June 2014, the sixth session of the Board of the Company reappointed the members of the Audit Committee whose term will expire on the date of the 2016 annual general meeting. At present, the Audit Committee is composed of four independent non-executive directors, namely, Mr. Liu Guibin (PRC Certified Public Accountant and one of the first group of senior members (practicing) of CICPA), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong and Mr. Jiang Ruiming. Auditors are invited to attend the Audit Committee meetings regularly and they can communicate with the Audit Committee individually, as they deem necessary.

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

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

The Audit Committee has reviewed the Company's condensed interim financial information for the six months ended 30 June 2015, as well as the accounting principles and policies adopted by the Company. The Audit Committee considers that the disclosure of the financial information in the unaudited condensed interim financial information and in the interim report complies with the applicable accounting standards and the relevant requirements of the Listing Rules and the laws of Hong Kong.

CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company adhered to good corporation governance level. The Company confirms that it has complied with all the provisions set out in the Corporate Governance Code set out in Appendix 14 of the Listing Rules (the "Code") for the six months ended 30 June 2015 except for the Code provision in relation to the matter set out below.

In respect of Code provision A.6.7 of the Code, the Company held its 2014 annual general meeting on 24 June 2015. Save as Mr. Yao Yabo and Mr. Japhet Sebastian Law were absent from the meeting due to other business commitment, all other members of the Board attended the meeting. Matters considered at the meeting included six regular matters and all of such resolutions were smoothly passed at the meeting. After the meeting, the Company dispatched the meeting minutes to all members of the Board to keep the absent directors informed about the proposals resolved during the meeting.

COMPLIANCE WITH THE MODEL CODE

The Company has formulated “the Code for Securities Transactions by Directors and Staff” at terms no less exacting than the required standard of the Model Code. For the six months ended 30 June 2015, the Company strictly implemented the Code for Securities Transactions by Directors and Staff.

Having made specific enquiries to the directors, supervisors and chief executives of the Company, the Company has confirmed that each of them has complied with the Model Code during the six months ended 30 June 2015.

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

Beijing, the PRC, 27 August 2015

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

Executive Directors: *Mr. Liu Xuesong, Mr. Shi Boli and Ms. Gao Lijia*

Non-executive Directors: *Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Ma Zheng
and Mr. Cheng Chi Ming, Brian*

Independent Non-executive Directors: *Mr. Japhet Sebastian Law, Mr. Wang Xiaolong,
Mr. Jiang Ruiming and Mr. Liu Guibin*

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