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)

2020 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- In the first half of 2020, the aircraft movements of Beijing Capital Airport reached 118,648 sorties, representing a decrease of 59.52% as compared with the same period of the previous year. The passenger throughput reached 13,010,765 person-times, representing a decrease of 73.58% as compared with the same period of the previous year. The cargo and mail throughput reached 572,060 tonnes, representing a decrease of 39.58% as compared with the same period of the previous year.

- In the first half of 2020, the revenues of the Company were RMB1,982,735,000, representing a decrease of 63.1% as compared with the same period of the previous year.

- In the first half of 2020, the aeronautical business revenues of the Company were RMB569,695,000, representing a decrease of 72.0% as compared with the same period of the previous year.

- In the first half of 2020, the non-aeronautical business revenues of the Company were RMB1,413,040,000, representing a decrease of 57.8% as compared with the same period of the previous year.

- In the first half of 2020, the operating expenses of the Company were RMB2,871,759,000, representing a decrease of 19.4% as compared with the same period of the previous year.

- The net loss after tax in the first half of 2020 of the Company was RMB737,998,000 (with loss per share of RMB0.161), representing a decrease of 157.2% as compared with the net profit after tax of RMB1,290,140,000 for the same period of the previous year.

- The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2020.

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 2020 and for the six months ended on that date, which have been reviewed by the Audit and Risk Management Committee of the Company (the "Audit and Risk Management Committee"), together with the comparative figures for the corresponding period of 2019 as follows:

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2020

		Unaudited	
		For the six months ended 30 June	
		2020	2019
	Note	***RMB'000***	*RMB'000*
Revenues			
Aeronautical	*4*	**569,695**	2,033,870
Non-aeronautical	*4*	**1,413,040**	3,346,499
		1,982,735	5,380,369
Operating expenses			
Depreciation and amortisation		**(726,911)**	(685,928)
Repairs and maintenance		**(434,177)**	(478,475)
Aviation safety and security guard costs		**(322,537)**	(383,570)
Utilities and power		**(280,025)**	(291,905)
Operating contracted services		**(226,589)**	(300,888)
Staff costs		**(226,215)**	(355,732)
Concession management fees		**(193,563)**	(597,241)
Greening and environmental maintenance		**(148,723)**	(163,853)
Real estate and other taxes		**(132,836)**	(126,655)
Other costs		**(180,183)**	(179,740)
		(2,871,759)	(3,563,987)
Impairment losses on financial assets		**(33,786)**	(26,692)
Other income		**4,094**	10,109
Other gains		**–**	1,763
Operating (loss)/profit		**(918,716)**	1,801,562
Finance income	*5*	**12,067**	13,297
Finance costs	*5*	**(76,461)**	(93,660)
		(64,394)	(80,363)
(Loss)/profit before income tax		**(983,110)**	1,721,199

	Note	Unaudited For the six months ended 30 June **2020** ***RMB'000***	 2019 *RMB'000*
Income tax credit/(expense)	*6*	**245,112**	(431,050)
(Loss)/profit for the period		**(737,998)**	1,290,149
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		**6,358**	14,992
Other comprehensive income, net of tax		**6,358**	14,992
Total comprehensive (loss)/income for the period		**(731,640)**	1,305,141
(Loss)/earnings per share, basic and diluted *(RMB)*	*7*	**(0.161)**	0.298

INTERIM CONDENSED BALANCE SHEET

AS AT 30 JUNE 2020

	Note	**Unaudited As at 30 June 2020** *RMB'000*	Audited As at 31 December 2019 *RMB'000*
ASSETS			
Non-current assets			
Investment properties		**3,039,797**	–
Property, plant and equipment		**24,839,031**	26,644,577
Right-of-use assets		**2,454,702**	4,277,275
Intangible assets		**63,424**	71,905
Deferred income tax assets		**437,986**	194,993
Other non-current assets		**180,565**	172,570
		31,015,505	31,361,320
Current assets			
Inventories		**166,120**	157,374
Trade receivables	*9*	**1,134,145**	1,389,094
Prepayment		**38,448**	26,487
Other financial assets at amortised cost		**57,321**	50,750
Cash and cash equivalents		**1,830,962**	1,664,626
Other current assets		**175,147**	94,768
		3,402,143	3,383,099
Total assets		**34,417,648**	34,744,419
EQUITY			
Capital and reserves			
Share capital		**4,579,179**	4,579,179
Share premium		**6,300,867**	6,300,867
Capital reserve	*10*	**211,978**	204,913
Other reserve		**(13,291)**	(19,649)
Statutory and discretionary reserves		**6,809,588**	6,325,714
Retained earnings		**5,646,014**	7,569,874
Total equity		**23,534,335**	24,960,898

	Note	Unaudited As at 30 June 2020 *RMB'000*	Audited As at 31 December 2019 *RMB'000*
LIABILITIES			
Non-current liabilities			
Loans from the Parent Company	*13*	**1,554,853**	1,617,285
Lease liabilities		**867,415**	934,103
Retirement benefit obligations		**127,806**	140,566
Deferred income		**38,332**	41,310
		2,588,406	2,733,264
Current liabilities			
Short-term borrowings	*12*	**1,400,000**	500,000
Trade and other payables	*11*	**6,559,036**	6,104,456
Current income tax liabilities		**–**	75,343
Current portion of loans from the Parent Company	*13*	**172,761**	170,241
Current portion of lease liabilities		**154,772**	191,998
Current portion of retirement benefit obligations		**8,338**	8,219
		8,294,907	7,050,257
Total liabilities		**10,883,313**	9,783,521
Total equity and liabilities		**34,417,648**	34,744,419

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2020

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.

Since early 2020, the epidemic of Coronavirus Disease 2019 (the "COVID-19 outbreak") has spread across China and other countries, and it brought about demanding challenges to the global civil aviation industry. Affected by the COVID-19 outbreak, the passenger throughput, aircraft movements and cargo and mail throughput of the Company during the six months ended 30 June 2020 recorded a relatively substantial decrease as compared with the corresponding period last year, which resulted in a decrease in the aeronautical revenues and non-aeronautical revenues of the Company.

The Company will pay close attention to the development of the COVID-19 outbreak, perform further assessment of its impact and take relevant measures.

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 26 August 2020.

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 2020 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

As at 30 June 2020, the current liabilities of the Company exceeded the current assets by RMB4,892,764,000(as at 31 December 2019: RMB3,667,158,000). Given the debt obligations and working capital requirements, management has thoroughly considered the Company's available sources of funds as follow:

- The Company's continuous cash inflow from operating activities;
- Funds to be raised with National Association of Financial Market Institutional Investors (Note 14); and
- Unutilised banking facilities.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to continue its operations and to repay its debts as and when they fall due. As a result, the condensed interim financial information of the Company for the six months ended 30 June 2020 has been prepared on a going concern basis.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to excepted total annual earnings and the adoption of new and amended standards as set out below.

New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period. These standards and amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Standards and amendments that have been issued but not yet effective on 1 January 2020 and not been early adopted by the Company are as follows:

	Effective for annual periods beginning on or after
Amendments to IFRS 16 – Covid-19-Related Rent Concessions	1 June 2020
Amendments to IAS 37 – Onerous contracts – Cost of fulfilling a contract	1 January 2022
Annual Improvements – Annual Improvements to IFRS standard 2018-2020	1 January 2022
Amendments to IAS 16 – Property, plant and equipment-proceeds before intended use	1 January 2022
IFRS 17 – Insurance contract	1 January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company has already taken initial actions to assess the impact of these new or revised standards, interpretation and amendments, and will make further assessments of the impact in the future.

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**	
	2020	2019
	RMB'000	*RMB'000*
Aeronautical		
Aircraft movement fees and related charges	**327,552**	1,040,087
Passenger charges	**242,143**	993,783
	569,695	2,033,870
Non-aeronautical		
Concessions	**890,156**	2,597,254
Rentals	**510,856**	657,449
Car parking fees	**2,772**	80,904
Others	**9,256**	10,892
	1,413,040	3,346,499
	1,982,735	5,380,369

As the Company is domiciled in the PRC from where all of its revenue from external customers for the six months ended 30 June 2020 and 2019 are derived and in where all of its assets are located, no geographical segment information is shown.

All the above revenues are recognised over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date.

5. FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Finance income		
Interest income	**12,067**	13,297
Finance costs		
Interest for borrowings	**(12,015)**	(46,323)
Interest for loans from the Parent Company	**(14,494)**	(28,907)
Interest for lease liabilities	**(24,374)**	(16,453)
Exchange losses, net	**(24,834)**	(1,186)
Bank charges	**(744)**	(791)
	(76,461)	(93,660)
Net finance costs	**(64,394)**	(80,363)

6. INCOME TAX (CREDIT)/EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2019: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Current income tax	**–**	443,006
Deferred income tax credit	**(245,112)**	(11,956)
	(245,112)	431,050

Deferred income tax assets are recognised for tax loss carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

7. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of 4,579,179,000 (2019: 4,330,890,000) ordinary shares in issue during the six-month periods.

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

	For the six months ended 30 June	
	2020	2019
(Loss)/profit attributable to owners of the Company *(RMB'000)*	**(737,998)**	1,290,149
Basic (loss)/earnings per share (*RMB* per share)	**(0.161)**	0.298

8. DIVIDENDS

	For the six months ended 30 June	
	2020	2019
Dividend proposed		
Interim dividend *(RMB'000)*	**–**	387,182
Interim dividend per share *(RMB)*	**–**	0.0894

A dividend of RMB701,988,000 that relates to the year ended 31 December 2019 (for the year ended 31 December 2018: RMB702,903,000) was approved in the Annual General Meeting on 23 June 2020.

9. TRADE RECEIVABLES

	As at 30 June 2020	As at 31 December 2019
	RMB'000	RMB'000
Trade receivables		
– CAHC's subsidiaries	**507,180**	389,299
– third parties	**997,421**	1,336,465
	1,504,601	1,725,764
Less: provision for impairment	**(370,456)**	(336,670)
	1,134,145	1,389,094

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

	As at 30 June 2020	As at 31 December 2019
	RMB'000	RMB'000
Less than 3 months	**586,904**	1,066,000
4 – 6 months	**255,102**	78,253
7 – 12 months	**111,415**	161,084
1 – 2 years	**250,304**	179,353
2 – 3 years	**99,067**	60,628
Over 3 years	**201,809**	180,446
	1,504,601	1,725,764

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

10. CAPITAL RESERVE

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

11. TRADE AND OTHER PAYABLES

	As at 30 June 2020	As at 31 December 2019
	RMB'000	RMB'000
Trade payables		
Amounts due to related parties		
– CAHC	**131,770**	114,836
– CAHC's subsidiaries	**1,095,365**	881,655
	1,227,135	996,491
Repairs and maintenance charges payable	**531,496**	526,807
Sub-contracting charges payable	**125,212**	145,834
Greening and environmental maintenance charges payable	**76,183**	96,281
Accounts payable for purchases	**54,784**	61,754
Other	**296,364**	250,111
	2,311,174	2,077,278
Advance and other payables		
Amounts due to related parties		
– CAHC	**419,621**	48,784
– CAHC's subsidiaries	**67,038**	61,222
	486,659	110,006
Accrued liabilities for the title change of the GTC Assets*	**1,508,693**	1,508,693
Construction payable	**731,649**	873,933
Deed taxes in respect of the acquisition of the Phase III Assets**, T3D Assets and the GTC Assets	**465,948**	465,948
Payroll and welfare payable	**358,132**	485,374
Dividends payable	**288,107**	–
Deposits received	**279,829**	296,149
Advance from customers	**84,047**	183,153
Receipts on behalf of concession operators	**9,400**	60,183
Other tax payable	**13,491**	22,468
Other	**21,907**	21,271
	4,247,862	4,027,178
	6,559,036	6,104,456

* In 2018, the Company acquired the Ground Traffic Centre and its relevant facilities, land and the relevant land use right from the Parent Company, which were collectively referee to as the GTC Assets.

** 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 construction is situated (collectively the "Phase III Assets").

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

	As at 30 June 2020	As at 31 December 2019
	RMB'000	RMB'000
Less than 3 months	**1,046,278**	913,425
4 – 6 months	**257,589**	203,373
7 – 12 months	**581,530**	491,490
Over 12 months	**425,777**	468,990
	2,311,174	2,077,278

12. BORROWINGS

	As at 30 June 2020	As at 31 December 2019
	RMB'000	RMB'000
Short-term	**1,400,000**	500,000

The movement in borrowings is analysed as follows:

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Opening amount as at 1 January	**500,000**	2,980,000
Proceeds of new borrowings	**1,400,000**	1,980,000
Repayments of borrowings	**(500,000)**	(3,480,000)
Closing amount as at 30 June	**1,400,000**	1,480,000

The loans are denominated in RMB and unsecured.

13. LOANS FROM THE PARENT COMPANY

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

	As at 30 June 2020	As at 31 December 2019
	RMB'000	RMB'000
Loans from the Parent Company	**1,727,614**	1,787,526
Less: current portion	**(172,761)**	(170,241)
	1,554,853	1,617,285

	For the six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
Opening amount as at 1 January	**1,787,526**	1,926,055
Repayments of borrowings	**(86,525)**	(81,935)
Currency translation differences	**26,613**	1,280
Closing amount as at 30 June	**1,727,614**	1,845,400

The loan was previously obtained by the Parent Company from European Investment Bank. The loan is denominated in the US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. The interest is payable semi-annually. The principal amount is repayable by instalments semi-annually commencing 15 December 2010 with maturity through 15 June 2030.

14. EVENTS AFTER THE REPORTING PERIOD

The Company has made an application (the "Application") to the National Association of Financial Market Institutional Investors (the "Association") for the registration of medium-term notes in an aggregate amount of no more than RMB6 billion to be issued in multiple tranches. As at the announcement date, the Application has been approved by the Association.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Aeronautical Business

In the first half of 2020, as affected by the outbreak of novel coronavirus epidemic (the "COVID-19 Outbreak") and transfer of certain flights, air traffic volumes of Beijing Capital Airport have been hard hit.

During the first half of 2020, affected by factors such as the spread of the COVID-19 Outbreak, the decline in the demand for international aviation transportation and being the first entry point of international flights, the decrease in international air traffic volumes of Beijing Capital Airport was greater than that of the domestic air traffic volumes. In the first half of 2020, the cumulative aircraft movements in Beijing Capital Airport reached 118,648 sorties, representing a decrease of 59.52% as compared with the same period of the previous year. The cumulative passenger throughput reached 13,010,765 person-times, representing a decrease of 73.58% as compared with the same period of the previous year. The cumulative cargo and mail throughput reached 572,060 tonnes, representing a decrease of 39.58% 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		
	2020	2019	**Change**
Aircraft Movements *(unit: sorties)*	**118,648**	293,079	-59.52%
Domestic	**94,660**	229,321	-58.72%
Including: Hong Kong, Macau & Taiwan	**3,613**	11,245	-67.87%
International	**23,988**	63,758	-62.38%
Passenger Throughput *(unit: person-times)*	**13,010,765**	49,242,169 *(Note 1)*	-73.58%
Domestic	**10,481,628**	37,467,061	-72.02%
Including: Hong Kong, Macau & Taiwan	**308,551**	2,061,923	-85.04%
International	**2,529,137**	11,775,108	-78.52%
Cargo and Mail Throughput *(unit: tonnes)*	**572,060**	946,771 *(Note 1)*	-39.58%
Domestic	**305,665**	498,246	-38.65%
Including: Hong Kong, Macau & Taiwan	**34,631**	46,928	-26.20%
International	**266,395**	448,525	-40.61%

Note 1: Figures of passenger throughput and cargo and mail throughput were arrived at after adjustment at the end of 2019

Aeronautical Revenues

	Unaudited		
	For the six months ended 30 June		
	2020	2019	**Change**
	RMB'000	*RMB'000*	
Aircraft movement fees and related charges	**327,552**	1,040,087	-68.5%
Passenger charges	**242,143**	993,783	-75.6%
Total aeronautical revenues	**569,695**	2,033,870	-72.0%

In the first half of 2020, as affected by the combined factors such as the COVID-19 Outbreak and related policies, the aeronautical business revenues of the Company declined significantly, with a total amount of RMB569,695,000, representing a decrease of 72.0% as compared with the same period of the previous year.

In the first half of 2020, revenues from aircraft movement fees and related charges of the Company were RMB327,552,000, representing a decrease of 68.5% as compared with the same period of the previous year, which was primarily due to the impact of the decrease in air traffic volumes and the fact that pursuant to the relevant requirements of the Notice of CAAC on Policies Supporting Active Response to COVID-19 Outbreak (《民航局關於積極應對新冠肺炎疫情有關支持政策的通知》), the Company lowered the benchmark price of the charging standards for aircraft movement fees by 10% and waived the parking fees with effect from 23 January 2020 until the end of the COVID-19 Outbreak. Revenues from passenger charges were RMB242,143,000, representing a decrease of 75.6% as compared with the same period of the previous year, which basically remained consistent with the decline in passenger throughput.

Non-Aeronautical Revenues

	Unaudited		
	For the six months ended 30 June		
	2020	2019	**Change**
	RMB'000	*RMB'000*	
Concessions	**890,156**	2,597,254	-65.7%
Including: Advertising	**548,606**	585,037	-6.2%
Retailing	**176,267**	1,772,458	-90.1%
Restaurants and food shops	**77,924**	140,449	-44.5%
VIP services	**39,392**	45,350	-13.1%
Car parking services	**20,175**	–	100%
Ground handling	**–**	28,094	-100%
Other concessions	**27,792**	25,866	7.4%
Rentals	**510,856**	657,449	-22.3%
Car parking fees	**2,772**	80,904	-96.6%
Others	**9,256**	10,892	-15.0%
Total non-aeronautical revenues	**1,413,040**	3,346,499	-57.8%

In the first half of 2020, the non-aeronautical business revenues of the Company were RMB1,413,040,000, representing a decrease of 57.8% as compared with the same period of the previous year.

In the first half of 2020, the concession revenues of the Company were RMB890,156,000, representing a decrease of 65.7% as compared with the same period of the previous year. Among these, the revenues from advertising were RMB548,606,000, representing a decrease of 6.2% as compared with the same period of the previous year, which was mainly attributable to the fact that certain spare advertising resources had not yet attracted investment as affected by the COVID-19 Outbreak. The revenues from retailing were RMB176,267,000, representing a decrease of 90.1% as compared with the same period of the previous year, which was mainly attributable to a sharp decline in the related revenues as a result of the significant decrease in international passenger throughput as compared with the same period of the previous year as affected by the COVID-19 Outbreak. The revenues from restaurants and food shops were RMB77,924,000, representing a decrease of 44.5% as compared with the same period of the previous year, which was mainly due to the rental waiver granted to certain tenants from February to April considering the impact of the COVID-19 Outbreak and in accordance with relevant national policies as well as a substantial decline in passenger throughput, resulting in a decrease in related revenues. The revenues from VIP services were RMB39,392,000, representing a decrease of 13.1% as compared with the same period of the previous year, which was mainly due to the adjustment and reduction of operating areas due to the renovation and upgrade of certain premises resources, leading to a corresponding decrease in revenue. The revenues from car parking services were RMB20,175,000, representing an increase of 100% as compared with the same period of the previous year, which was mainly due to the fact that since 1 January 2020, the Company has transferred the operation rights of most car parking areas including the Ground Traffic Centre (the "GTC") pursuant to the Agreement for

Transferring Operation Rights of Car Parking Buildings (Spaces) of Beijing Capital Airport (《北京首都機場停車樓(場)經營權轉讓合同》), resulting in an increase in revenues from car parking services. The revenues from ground handling service decreased by 100% as compared with the same period of the previous year, which was mainly due to the fact that new contracts had not yet been executed.

In the first half of 2020, the rental revenues of the Company were RMB510,856,000, representing a decrease of 22.3% as compared with the same period of the previous year, which was mainly due to the grant of rental waiver by the Company to certain tenants from February to April as affected by the COVID-19 Outbreak as well as a huge decline in aircraft movements and passenger throughput, leading to a decrease in the rentals of relevant equipment, system and commercial premises.

In the first half of 2020, the car-parking fees of the Company were RMB2,772,000, representing a decrease of 96.6% as compared with the same period of the previous year, which was mainly due to the fact that the Company has transferred the operation rights of car parking areas and only retained a small portion of areas for self-operation, hence leading to a significant decrease in car-parking fees.

Operating Expenses

	Unaudited For the six months ended 30 June		
	2020	2019	**Change**
	RMB'000	*RMB'000*	
Depreciation and amortisation	**726,911**	685,928	6.0%
Repair and maintenance	**434,177**	478,475	-9.3%
Aviation safety and security guard costs	**322,537**	383,570	-15.9%
Utilities and power	**280,025**	291,905	-4.1%
Operating contracted services	**226,589**	300,888	-24.7%
Staff costs	**226,215**	355,732	-36.4%
Concession management fees	**193,563**	597,241	-67.6%
Greening and environmental maintenance	**148,723**	163,853	-9.2%
Real estate and other taxes	**132,836**	126,655	4.9%
General, administrative and other costs	**180,183**	179,740	0.2%
Operating expenses	**2,871,759**	3,563,987	-19.4%

In the first half of 2020, the operating expenses of the Company were RMB2,871,759,000, representing a decrease of 19.4% as compared with the same period of the previous year.

In the first half of 2020, the depreciation and amortisation expenses of the Company were RMB726,911,000, representing an increase of 6.0% as compared with the same period of the previous year, which was mainly because new right-of-use assets were created due to the leasing of certain land parcels and the corresponding depreciation expenses were accrued.

In the first half of 2020, the repair and maintenance expenses of the Company were RMB434,177,000, representing a decrease of 9.3% as compared with the same period of the previous year, which was mainly because certain buildings were left idle due to a huge decline in the number of passengers as affected by the COVID-19 Outbreak, leading to a decrease in maintenance costs for buildings and equipment.

In the first half of 2020, the aviation safety and security guard costs of the Company were RMB322,537,000, representing a decrease of 15.9% as compared with the same period of the previous year, which was mainly due to the decrease in safety and security guard costs related to passenger traffic volume as affected by the COVID-19 Outbreak.

In the first half of 2020, the operating contracted services costs of the Company were RMB226,589,000, representing a decrease of 24.7% as compared with the same period of the previous year, which was mainly due to the decrease in cost resulting from limited operation and utilisation of equipment, such as passenger boarding bridges, as affected by the COVID-19 Outbreak as well as the termination of certain operating service projects, as a result of which the related costs were no longer incurred.

In the first half of 2020, staff cost of the Company were RMB226,215,000, representing a decrease of 36.4% as compared with the same period of the previous year, which was mainly due to corresponding decrease in the staff cost by the Company as affected by the COVID-19 Outbreak.

In the first half of 2020, the concession management fees of the Company were RMB193,563,000, representing a decrease of 67.6% as compared with the same period of the previous year, which was mainly due to the substantial decline in passenger traffic volume as affected by the COVID-19 Outbreak, leading to a significant decrease in concession revenues from retailing, restaurants and food shops, resulting in the corresponding decrease in the concession management fees, which were charged in proportion to the concession revenues.

In the first half of 2020, the greening and environmental maintenance expenses of the Company were RMB148,723,000, representing a decrease of 9.2% as compared with the same period of the previous year, which was mainly attributable to the termination of certain projects in relation to temporary measures, as a result of which the related costs were no longer incurred.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020, the Company's liabilities denominated in US dollar generated exchange losses due to the increase in the exchange rate of US dollar against RMB; in addition, the average balance of the borrowings in the first half of 2020 was lower than that in the same period of 2019. As such, the net financial costs of the Company after deduction of the financial incomes were RMB64,394,000, representing a decrease of 19.9% as compared with the same period of the previous year.

PROSPECTS FOR THE SECOND HALF OF THE YEAR

Under the impact of the COVID-19 Outbreak during the first half of 2020, the air traffic volumes at Beijing Capital Airport have been hard hit. Following the improving situation of epidemic prevention and control in China, the resumption of normal production and living order progressed at a faster pace. The prospects of the domestic aviation market of Beijing Capital Airport for the second half of the year will be optimistic. However, the overall situation of global pandemic remains severe, coupled with an external environment of economic recession and shrinking market around the world, it has hindered the overall recovery of the business volume of the international aviation industry. As such, the prospects of the international aviation market at Beijing Capital Airport is still uncertain.

In the second half of 2020, by seizing the window period of the epidemic and coordinating and maintaining a balance between epidemic prevention and control and resumption of operation and production, the Company will commence the construction of major projects, improve infrastructures and enhance its efficiency as a hub. By consistently monitoring the impact of the epidemic on air passenger and air cargo markets, the Company will conduct studies on, among others, inter-airline flight routes at the Beijing Capital Airport and air product differentiation based on the dual-hub model, and continue to promote the collaboration and communication with sister airports and industrial organizations. At the same time, the Company will take a budget-oriented approach to refine cost control and capital management in an effort to reduce operating costs.

In the second half of 2020, by solidifying the mechanism of normalized epidemic prevention and control and leveraging technological support, the Company will proactively promote smart applications such as "Internet +" temperature check and "Internet +" health management. Through expansion into technological innovation business, in-depth exploration of the value of data resources and promotion of smart applications in operation and management, the Company will enhance the use of technology as a driving force in epidemic prevention and control and continue to improve the capability of the Beijing Capital Airport to respond to public health emergencies.

In the second half of 2020, by strengthening the management of air security and safety, the Company will conduct special safety rectifications and enhance the management of hidden risks so as to continuously promote the building of a safe airport. Through comprehensive promotion of the blue sky defense battle, the Company will constantly unleash its energy-saving potentials in an effort to improve environmental protection and facilitate the establishment of a new green development model for the civil aviation industry. Through consistently refined service management, the Company will improve its service experience and operation quality as well as adapt to the requirements of normalized epidemic prevention and control, with a view to further enhancing the air travel experience of passengers.

INTERIM DIVIDENDS

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2020.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Company had cash and cash equivalents amounting to RMB1,830,962,000, while the cash and cash equivalents of the Company amounted to RMB1,664,626,000 as at 31 December 2019.

As at 30 June 2020, the Company's short-term borrowings were RMB1,400,000,000 and the loans from the Parent Company were RMB1,727,614,000.

As at 30 June 2020, the current ratio of the Company was 0.41, and as at 31 December 2019, the current ratio of the Company was 0.48. 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 30 June 2020, the liability-to-asset ratio of the Company was 31.62%, and that as at 31 December 2019 was 28.16%. Such ratios were computed by dividing the amount of total liabilities by the amount of total assets as at those respective dates.

As at 30 June 2020, the capital and reserves of the Company were RMB23,534,335,000, and as at 31 December 2019, the capital and reserves of the Company were RMB24,960,898,000.

For the first half of 2020, the Company's net cash used in operating activities amounted to RMB222,917,000, while the Company's net cash generated from operating activities amounted to RMB1,821,424,000 in the same period of the previous year.

For the first half of 2020, the Company's net cash used in investing activities amounted to RMB298,203,000, while the Company's net cash generated from investing activities amounted to RMB234,055,000 in the same period of the previous year.

For the first half of 2020, the Company's net cash generated from financing activities amounted to RMB685,553,000, while the Company's net cash used in financing activities amounted to RMB1,613,065,000 in the same period of the previous year.

CHARGE ON ASSETS

During the six months ended 30 June 2020, there was no material charge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the six months ended 30 June 2020, the Company had no material merger, acquisition or disposal.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2020, the Company did not purchase, sell or redeem any of the listed securities of the Company.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

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

According to the overall plan of the acquisition of the Phase III Assets*, the Company assumed the responsibility for repayment of the interests and principal of the US dollar-denominated loans from the European Investment Bank in respect of the Phase III Assets as at 30 June 2020. Therefore, the fluctuation of RMB exchange rate against the US dollar will affect the financial results of the Company.

* In 2008, the Company acquired the airfield assets (including runway, taxiways, aprons, road non-asphalt layers, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport ("T3") 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 T3 and other auxiliary buildings are situated (collectively as the "Phase III Assets").

As at 30 June 2020, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB130,467,000 (as at 31 December 2019: RMB126,088,000), trade and other receivables of approximately RMB229,000 (as at 31 December 2019: RMB40,000), trade and other payables of approximately RMB10,997,000 (as at 31 December 2019: RMB10,837,000), and loans from the Parent Company of approximately RMB1,727,614,000 (as at 31 December 2019: RMB1,787,526,000). For the first half of 2020, the Company recorded net exchange losses of RMB24,834,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the non-current portion and current portion of the Company's loans from the Parent Company was RMB1,727,614,000, representing the obligation to repay the principal and interests of the borrowings from the European Investment Bank, which was assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4%. The Company's short-term borrowings were RMB1,400,000,000 and its interest rates were referenced to the benchmark interest rates of the National Interbank Funding Centre. As such, any change in LIBOR and adjustments to the interest rates of the National Interbank Funding Centre will affect the interest expenses and results of the Company.

MATERIAL INVESTMENT, MATERIAL INVESTMENT PLAN AND MATERIAL FINANCING PLAN

The shareholders of the Company approved a financing plan at the 2019 annual general meeting convened on 23 June 2020, pursuant to which, among others, the Company's registration and issuance (as and when appropriate) of medium-term notes in multiple tranches in an aggregate amount of not more than RMB6 billion in the PRC was approved. The Company has made an application for registration to the National Association of Financial Market Institutional Investors on 29 June 2020. On 26 August 2020, the relevant application has been approved. The Company will initiate the issuance of the first tranche of the medium-term notes in an amount of RMB1.3 billion as and when appropriate and as soon as possible. The proceeds will be used for the Company's fixed asset investment projects. For details on the issuance of the medium-term notes, please refer to the circular dated 2 June 2020, the announcement dated 23 June 2020 and the inside information announcements dated 29 June 2020 and 26 August 2020 of the Company.

Save as disclosed above, during the six months ended 30 June 2020, the Company did not have any material investment, material investment plan or material financing plan.

CONTINGENT LIABILITIES

The Company had no significant contingent liabilities as at 30 June 2020.

EMPLOYEES AND EMPLOYEES' WELFARE

1. As at 30 June 2020, 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 2020	As at 30 June 2019
Number of employees	**1,558**	1,579

The remuneration policy of employees of the Company is determined by the management based on market practice. The Company adopted a position performance-based salary system, which was based on the value of the position with performance appraisal as its core. Such remuneration system took into account the external competition and internal fairness under dynamic management, with which the increase in employee's salaries could be in line with the Company's development and the increase of labor remuneration could be in line with the increase of labour productivity.

2. Employees' basic medical insurance and commercial medical insurance

Since 1 January 2003, the Company has complied with the regulations of the Beijing Municipal Government for basic medical insurance in Beijing. 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. Meanwhile, the Company no longer pays medical subsidies or medical compensations in cash to its employees. As such, the implementation of the aforesaid basic medical insurance regulations did not have any material impact on the balance sheet or statement of comprehensive income of the Company.

3. Staff retirement scheme

In 2011, the Company implemented the corporate pension scheme according to the relevant policies of the state. Pursuant to the corporate pension scheme, the Company and the staff who participates in the scheme shall make monthly contributions to the corporate pension funds according to a certain proportion.

MATERIAL LITIGATION OR ARBITRATION

During the six months ended 30 June 2020, the Company was not involved in any material litigation or arbitration.

ENTRUSTED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 30 June 2020, 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 2020, the total issued share capital of the Company was 4,579,178,977 shares, including:

	Number of shares	Percentage of shareholding to the total issued shares
Domestic shares	2,699,814,977	58.96%
H shares	1,879,364,000	41.04%

2. Interests in shares and short positions of substantial shareholders and other persons

As at 30 June 2020, the interests in shares and short positions held by the following persons, other than directors, supervisors or chief executives of the Company, as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) ("SFO") were as follows:

Name of substantial shareholder	Class of shares	Number of shares holding interest	Capacity	Percentage of shareholding to the relevant class of shares	Percentage of shareholding to the total issued shares
Capital Airports Holding Company *(Note 1)*	Domestic shares	2,699,814,977 (L)	Beneficial owner	100%	58.96%
Citigroup Inc.	H shares	229,102,626 (L) 1,826,000 (S) 222,305,635 (P)	Approved lending agent	12.19% 0.09% 11.82%	5.00% 0.04% 4.85%
BlackRock, Inc.	H shares	130,643,961 (L) 5,120,000 (S)	Interest of corporation controlled by substantial shareholder	6.95% 0.27%	2.85% 0.11%
Aberdeen Asset Management PLC and its associates *(Note 2)*	H shares	114,868,000 (L)	Investment manager	6.11%	2.51%
GIC Private Limited *(Note 2)*	H shares	94,828,233 (L)	Investment manager	5.05%	2.07%
Causeway Capital Management LLC *(Note 2)*	H shares	94,794,000 (L)	Investment manager	5.04%	2.07%
Hermes Investment Funds PLC	H shares	94,613,662 (L)	Beneficial owner	5.03%	2.07%
Brown Brothers Harriman & Co.	H shares	94,393,357 (L) 94,393,357 (P)	Agent	5.02% 5.02%	2.06% 2.06%

(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 of the Company, is the general manager and the deputy party secretary of Capital Airports Holding Company.

   Mr. Han Zhiliang, an executive director and the general manager of the Company, is the deputy general manager of Capital Airports Holding Company.

   Mr. Gao Shiqing, a non-executive director of the Company, is the deputy general manager of Capital Airports Holding Company.

   Mr. Jia Jianqing, a non-executive director of the Company, is the deputy general manager of Capital Airports Holding Company.

   Mr. Song Kun, a non-executive director of the Company, is the deputy general manager of Capital Airports Holding Company.

2. These shares are held in the capacity of investment manager.

3. The numbers in the above table have been subject to rounding adjustments. Any discrepancies in the number are due to roundings.

SHORT POSITIONS IN SHARES

According to the register required to be kept by the Company under Section 336 of the SFO, as at 30 June 2020, save as disclosed above, there were no other person or substantial shareholder holding any short positions in the shares and underlying shares of the Company.

Save as disclosed above, the register required to be kept under section 336 of the SFO indicated 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 2020.

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

As at 30 June 2020, none of the directors or the supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). None of the directors, the supervisors and chief executives of the Company, or their associates had been granted or had exercised any such right during the six months ended 30 June 2020.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee (formerly known as the Audit Committee) was established on 10 January 2000. On 28 June 2017, the Audit Committee was renamed as the Audit and Risk Management Committee, and meanwhile its terms of reference were extended. On 23 June 2020, the eighth session of the Board of the Company re-appointed the members of the Audit and Risk Management Committee whose term will expire on the date of the 2022 annual general meeting. At present, the Audit and Risk Management Committee is composed of four independent non-executive directors, namely, Mr. Liu Guibin (chairman of the Audit and Risk Management Committee, PRC Certified Public Accountant and one of the first group of senior members (practicing) of the Chinese Institute of Certified Public Accountants), Mr. Jiang Ruiming, Mr. Zhang Jiali and Mr. Stanley Hui Hon-chung. Auditors are invited to attend the Audit and Risk Management Committee meetings regularly and they can communicate with the Audit and Risk Management Committee individually, as they deem necessary.

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

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

The Audit and Risk Management Committee has reviewed the Company's condensed interim financial information for the six months ended 30 June 2020, as well as the accounting principles and policies adopted by the Company for the relevant accounts. The Audit and Risk Management Committee considers that the disclosure of the financial information in the unaudited condensed interim financial information and in the interim report complies with the applicable accounting standards and the relevant requirements of the Listing Rules and the laws of Hong Kong.

CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company adhered to the establishment of high-level corporation governance. The Company confirms that the Company has strictly complied with all the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2020.

COMPLIANCE WITH THE MODEL CODE

The Company has formulated "the Code for Securities Transactions by Directors and Staff" on terms no less exacting than the required standard of the Model Code. For the six months ended 30 June 2020, 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 2020.

By the order of the Board
Meng Xianwei
Secretary to the Board

Beijing, the PRC, 26 August 2020

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

Executive directors: Mr. Liu Xuesong, Mr. Han Zhiliang and Mr. Zhang Guoliang

Non-executive directors: Mr. Gao Shiqing, Mr. Jia Jianqing and Mr. Song Kun

Independent non-executive directors: Mr. Jiang Ruiming, Mr. Liu Guibin, Mr. Zhang Jiali and Mr. Stanley Hui Hon-chung

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk under "Latest Listed Company Information", 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.