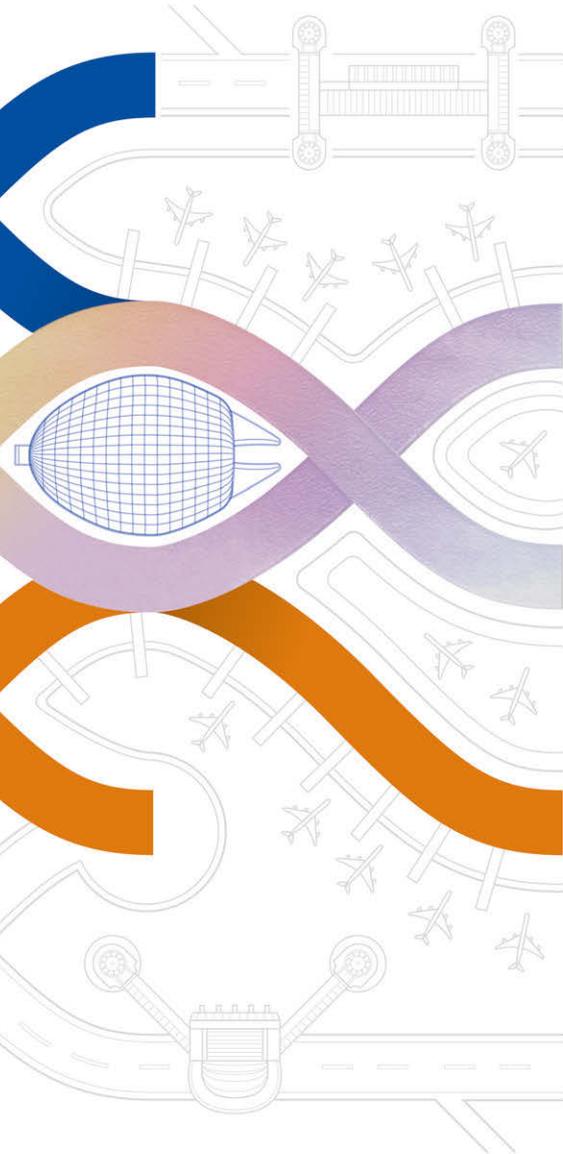




# Beijing Capital International Airport Company Limited

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

Stock Code: 00694



**2020**  
INTERIM REPORT

The board of directors (the “Board”) of Beijing Capital International Airport Company Limited (the “Company”) announces the operating results and unaudited financial results of the Company for the first half of 2020 which have been reviewed by the Audit and Risk Management Committee of the Company (the “Audit and Risk Management Committee”) and the prospects for the second half of 2020 as follows:

## SUMMARY OF FINANCIAL RESULTS

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

	For the six months ended 30 June (Unaudited)		
	2020	2019	Change
Revenues	<b>1,982,735</b>	5,380,369	-63.1%
Operating expenses (LBITDA)/EBITDA	<b>(2,871,759)</b>	(3,563,987)	-19.4%
(Loss)/profit attributable to shareholders	<b>(737,998)</b>	1,290,149	-157.2%
(Loss)/earnings per share (basic and diluted) (RMB)	<b>(0.161)</b>	0.298	-154.0%
	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)	Change
Total assets	<b>34,417,648</b>	34,744,419	-0.9%
Total liabilities	<b>10,883,313</b>	9,783,521	11.2%
Shareholders’ equity	<b>23,534,335</b>	24,960,898	-5.7%

## 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 ( <i>unit: sorties</i> )	<b>118,648</b>	293,079	-59.52%
Domestic	<b>94,660</b>	229,321	-58.72%
Including: Hong Kong, Macau & Taiwan	<b>3,613</b>	11,245	-67.87%
International	<b>23,988</b>	63,758	-62.38%
Passenger Throughput ( <i>unit: person-times</i> )	<b>13,010,765</b>	49,242,169 <small>(Note 1)</small>	-73.58%
Domestic	<b>10,481,628</b>	37,467,061	-72.02%
Including: Hong Kong, Macau & Taiwan	<b>308,551</b>	2,061,923	-85.04%
International	<b>2,529,137</b>	11,775,108	-78.52%
Cargo and Mail Throughput ( <i>unit: tonnes</i> )	<b>572,060</b>	946,771 <small>(Note 1)</small>	-39.58%
Domestic	<b>305,665</b>	498,246	-38.65%
Including: Hong Kong, Macau & Taiwan	<b>34,631</b>	46,928	-26.20%
International	<b>266,395</b>	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	<b>327,552</b>	1,040,087	-68.5%
Passenger charges	<b>242,143</b>	993,783	-75.6%
<b>Total aeronautical revenues</b>	<b>569,695</b>	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
	<i>RMB'000</i>	<i>RMB'000</i>	
Concessions	<b>890,156</b>	2,597,254	-65.7%
Including: Advertising	<b>548,606</b>	585,037	-6.2%
Retailing	<b>176,267</b>	1,772,458	-90.1%
Restaurants and food shops	<b>77,924</b>	140,449	-44.5%
VIP services	<b>39,392</b>	45,350	-13.1%
Car parking services	<b>20,175</b>	–	100%
Ground handling	–	28,094	-100%
Other concessions	<b>27,792</b>	25,866	7.4%
Rentals	<b>510,856</b>	657,449	-22.3%
Car parking fees	<b>2,772</b>	80,904	-96.6%
Others	<b>9,256</b>	10,892	-15.0%
<b>Total non-aeronautical revenues</b>	<b>1,413,040</b>	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

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

- 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:

	<b>Number of shares</b>	<b>Percentage of shareholding to the total issued shares</b>
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 <i>(Note 1)</i>	Domestic shares	2,699,814,977 (L)	Beneficial owner	100%	58.96%
Citigroup Inc.	H shares	229,102,626 (L)	Approved lending agent	12.19%	5.00%
		1,826,000 (S)		0.09%	0.04%
		222,305,635 (P)		11.82%	4.85%
BlackRock, Inc.	H shares	130,643,961 (L)	Interest of corporation controlled by substantial shareholder	6.95%	2.85%
		5,120,000 (S)		0.27%	0.11%
Aberdeen Asset Management PLC and its associates <i>(Note 2)</i>	H shares	114,868,000 (L)	Investment manager	6.11%	2.51%
GIC Private Limited <i>(Note 2)</i>	H shares	94,828,233 (L)	Investment manager	5.05%	2.07%
Causeway Capital Management LLC <i>(Note 2)</i>	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)	Agent	5.02%	2.06%
		94,393,357 (P)		5.02%	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.

## **MATERIAL CHANGES SINCE THE PUBLICATION OF THE MOST RECENT ANNUAL REPORT**

Save as disclosed above, there were no material changes in the operations of the Company since the publication of the 2019 annual report dated 21 April 2020 to 30 June 2020.

## **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.



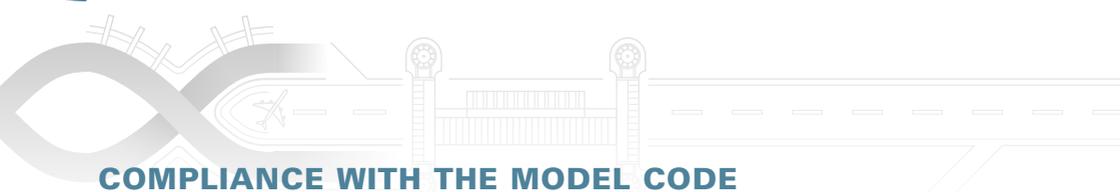
The Audit and Risk Management Committee fulfils its supervisory responsibility as delegated by the Board through examining matters relating to the Company's financial reporting systems, internal control procedures, risk management, and considering auditing issues of the Company. The Audit and Risk Management 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.

## CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Certain members of the eighth session of the Board and certain members of the eighth session of the Supervisory Committee were newly elected and appointed by the Company on 23 June 2020. The composition of both the Board and the Supervisory Committee of the Company was changed accordingly. Mr. Zhang Guoliang, Mr. Jia Jianqing, Mr. Song Kun and Mr. Stanley Hui Hon-chung were appointed as directors of the Company to replace Ms. Gao Lijia, Mr. Yao Yabo, Mr. Ma Zheng and Mr. Japhet Sebastian Law. Mr. Japhet Sebastian Law was appointed as a supervisor of the Company to replace Mr. Dong Ansheng.



The biographies of Mr. Zhang Guoliang, Mr. Jia Jianqing, Mr. Song Kun, Mr. Stanley Hui Hon-chung and Mr. Japhet Sebastian Law are as follows:

**Mr. Zhang Guoliang**, aged 57, was appointed as an executive director of the Company on 23 June 2020. Mr. Zhang graduated from Air Force Engineering University, majoring in management science and engineering, and obtained a master's degree in management. Mr. Zhang joined the People's Liberation Army of China in December 1979 and he successively served as a military academy cadet, an officer of the political department in a division of the Air Force, as well as a staff officer and a deputy director of the operations directorate at the command of a military base; an office secretary and a deputy head (at regiment commander level) of the military affairs department of the Air Force command in the Lanzhou Military Region from October 1996 to April 1999; a secretary of the office (at regiment commander level) of the Air Force command from April 1999 to March 2000; a director of the military communications and transportation directorate of the Air Force logistics department from March 2000 to April 2005; a tactical researcher (with the title of a senior colonel in the Air Force) at deputy division commander level of the Air Force from April 2005 to October 2008; a Party committee member of the public security bureau of CAAC and then the general captain (at deputy department director level and police commissioner class II) of the Aircop Corps of CAAC from October 2008 to April 2014; and the director and a deputy Party committee secretary of the government service bureau under CAAC from April 2014 to May 2019. Mr. Zhang was elected as a Party committee member of CAAC in January 2017. Mr. Zhang has been a Party committee member of the Parent Company and the Party committee secretary of the Company since May 2019, as well as the deputy general manager of the Company since June 2019.



**Mr. Jia Jianqing**, aged 55, a senior accountant, was appointed as a non-executive director of the Company on 23 June 2020. Mr. Jia graduated from Inner Mongolia School of Finance majoring in supply finance. He holds a Master's degree in Management Science and Agricultural Marketing in Professional Engineering from Chinese Academy of Agricultural Sciences. From October 1992 to January 1998, Mr. Jia served as the head of finance department of the Inner Mongolia Branch of CAAC; from January 1998 to January 2001, he served as the head of planning department and finance department of the Inner Mongolia Branch of CAAC; from January 2001 to December 2003, he served as the deputy director of the Inner Mongolia Branch of CAAC; from December 2003 to April 2004, he served as the deputy general manager and a member of Standing Committee of the Communist Party Committee of Inner Mongolia Autonomous Region Civil Airports Group Co., Ltd.; from April 2004 to October 2004, he served as the executive deputy general manager and a member of Standing Committee of the Communist Party Committee of Inner Mongolia Autonomous Region Civil Airports Group Co., Ltd.; from October 2004 to January 2005, he served as the deputy general manager of Jinfei Civil Aviation Economic Development Company; from January 2005 to October 2005, he served as the deputy general manager and a member of the Communist Party Committee of Jinfei Civil Aviation Economic Development Company; from October 2005 to January 2006, he served as the deputy general manager and a member of the Communist Party Committee of Capital Airport Guarantee Co., Ltd.; from January 2006 to January 2009, he served as the director, chief financial officer and a member of the Communist Party Committee of China Airport Construction Corporation; from January 2009 to March 2010, he served as the general manager and deputy secretary of the Communist Party Committee of Zhong Hang Xin Gang Guarantee Co., Ltd.; from March 2010 to May 2015, he served as the chairman, general manager and deputy secretary of the Communist Party Committee of Zhong Hang Xin Gang Guarantee Co., Ltd.; from May 2015 to January 2019, he served as the chief accountant of the Parent Company; since January 2019, he has served as the deputy general manager and a member of the Communist Party Committee of the Parent Company. From March 2016 to April 2020, Mr. Jia concurrently served as the chairman of Beijing Capital Airport Group Finance Co., Ltd.



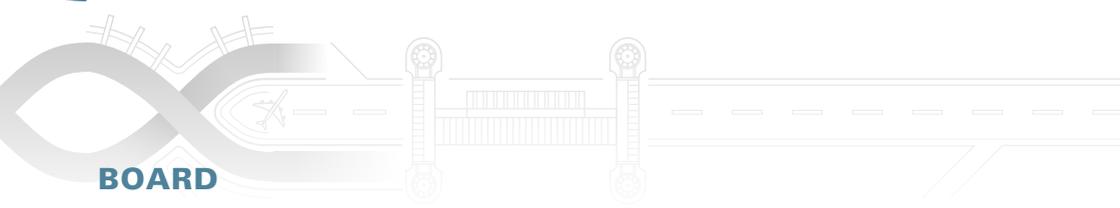
**Mr. Song Kun**, aged 49, a senior engineer, was appointed as a non-executive director of the Company on 23 June 2020. Mr. Song graduated from Department of Road and Traffic Engineering of Tongji University, majoring in highway and urban road and obtained a Bachelor's degree of Engineering, and he holds a Master's degree of Engineering in transportation engineering from Civil Aviation University of China. From July 1996 to March 2005, Mr. Song successively served as an assistant engineer, engineer and secretary of the Youth League Committee of China Airport Construction Corporation; from March 2005 to April 2006, he served as the head of engineering department of airfield at the chief quality supervision station for professional engineering of civil aviation; from April 2006 to March 2009, he served as the general manager at the general manger office of China Airport Construction Corporation; from March 2009 to December 2010, he served as the director of the office of the Parent Company; from December 2010 to July 2011, he served as assistant to chief commander and a member of the Communist Party Committee of Beijing New Airport Construction Headquarters and the director of office of the Parent Company; from July 2011 to May 2012, he served as assistant to chief commander and a member of the Communist Party Committee of Beijing New Airport Construction Headquarters; from May 2012 to June 2016, he served as the general manager of the airport construction department of the Parent Company; from June 2016 to September 2018, he served as the secretary of the Communist Party Committee and deputy general manager of Jilin Civil Airports Group Company; from September 2018 to January 2020, he served as the general manager and deputy secretary of the Communist Party Committee of Jilin Civil Airports Group Company; since January 2020, he has served as the deputy general manager and a member of the Communist Party Committee of the Parent Company. In January 2018, Mr. Song was elected a deputy to the thirteenth People's Congress of Jilin Province and served as a member of Personnel Election Committee; in January 2019, he was appointed as an invited supervisor of the first session of Supervision Committee of Jilin Province.



**Mr. Stanley Hui Hon-chung**, aged 69, was appointed as an independent non-executive director of the Company on 23 June 2020. Mr. Hui holds the Bachelor's degree of Science from the Chinese University of Hong Kong. He joined Cathay Pacific in 1975 and had held a range of management positions in Hong Kong and overseas. From 1990 to 1992, he served as the general manager for Planning and International Affairs of Cathay Dragon. He was appointed as the chief representative of Swire (China) in Beijing in 1992. From 1994 to 1997, he assumed the position of chief operating officer of AHK Air Hong Kong Limited. From 1997 to 2006, he joined Hong Kong Dragon Airlines Limited as its chief executive officer. From February 2007 to July 2014, he served as the chief executive officer of Hong Kong Airport Authority. Mr. Hui was appointed as a member of the Greater Pearl River Delta Business Council twice by the Chief Executive of the HKSAR, and held civic duties including member of the Commission on Strategic Development of the HKSAR Government, member of the HKSAR Government's Aviation Development Advisory Committee and member of the Hong Kong Tourism Board. In July 2006, Mr. Hui was appointed as a Justice of the Peace by the Chief Executive of the HKSAR. Mr. Hui is currently a member of the 13th session of Chinese People's Political Consultative Conference and the General Committee of the Hong Kong General Chamber of Commerce. Mr. Hui has been serving as an independent non-executive director of Air China Limited (listed on the Hong Kong Stock Exchange) and Guangzhou Baiyun International Airport Co., Ltd. (listed on the Shanghai Stock Exchange) since May 2015 and December 2016, respectively. From September 2015 to October 2017, Mr. Hui was an executive director and the deputy chief executive officer of NWS Holdings Limited (listed on the Hong Kong Stock Exchange).



**Mr. Japhet Sebastian Law**, aged 68, was appointed as an independent supervisor of the Company on 23 June 2020. Mr. Law graduated from the University of Texas at Austin with Ph.D. in Mechanical/Industrial Engineering in 1976. Mr. Law was a Professor in the Department of Decision Sciences and Managerial Economics of the Chinese University of Hong Kong from 1986 until 2012. He was the Associate Dean and subsequently the Dean of the Faculty of Business Administration of the Chinese University of Hong Kong from 1993 until 2002. Prior to returning to Hong Kong, Mr. Law was the Director of Operations Research at the Cullen College of Engineering and Director of Graduate Studies in Industrial Engineering at the University of Houston, and was also involved with the U.S. Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. Mr. Law has acted as consultants with various corporations in Hong Kong and overseas. He is also active in public services, having served as Member of the Provisional Regional Council of the HKSAR Government and various other committees, and is also active on the boards of profit, non-profit, and charitable organizations in Hong Kong and overseas. Since 1 May 2006, Mr. Law has served as an independent non-executive director of Tianjin Port Development Holdings Limited. He has been an independent non-executive director of the Company since 12 June 2008. Since 1 September 2008, Mr. Law has served as an independent non-executive director of Global Digital Creations Holdings Limited. Since 23 March 2009, he has also served as an independent non-executive director of Binhai Investment Company Limited (formerly “Wah Sang Gas Holdings Limited”). Since 18 June 2012, he has served as an independent non-executive director of Regal Hotels International Holdings Limited (listed on the Hong Kong Stock Exchange). Since 13 August 2012, he has also served as an independent non-executive director of Tianjin Binhai Teda Logistics (Group) Corporation Limited (listed on the Hong Kong Stock Exchange). From 11 August 2013 to July 2016, he has been an independent non-executive director of Shanghai La Chapelle Fashion Co., Ltd. (listed on the Hong Kong Stock Exchange). Since 1 September 2013, he has served as an independent non-executive director of Shougang Fushan Resources Group Limited (listed on the Hong Kong Stock Exchange). Mr. Law was an independent non-executive director of the Company from June 2008 to June 2020.



## BOARD

The eighth session of the Board was established and elected by the Company's shareholders at the annual general meeting on 23 June 2020. The term of office of all directors (including non-executive directors) will end on the date of convening the 2022 annual general meeting.

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

Members of the Board:

Mr. Liu Xuesong	<i>Executive Director &amp; Chairman of the Board</i>
Mr. Han Zhiliang	<i>Executive Director &amp; General Manager</i>
Mr. Zhang Guoliang	<i>Executive Director &amp; Deputy General Manager</i>
Mr. Gao Shiqing	<i>Non-executive Director</i>
Mr. Jia Jianqing	<i>Non-executive Director</i>
Mr. Song Kun	<i>Non-executive Director</i>
Mr. Jiang Ruiming	<i>Independent Non-executive Director</i>
Mr. Liu Guibin	<i>Independent Non-executive Director</i>
Mr. Zhang Jiali	<i>Independent Non-executive Director</i>
Mr. Stanley Hui Hon-chung	<i>Independent Non-executive Director</i>

## INTERIM CONDENSED BALANCE SHEET

AS AT 30 JUNE 2020

	<i>Note</i>	<b>Unaudited As at 30 June 2020 RMB'000</b>	Audited As at 31 December 2019 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	7	<b>3,039,797</b>	–
Property, plant and equipment	8	<b>24,839,031</b>	26,644,577
Right-of-use assets	9	<b>2,454,702</b>	4,277,275
Intangible assets		<b>63,424</b>	71,905
Deferred income tax assets		<b>437,986</b>	194,993
Other non-current assets		<b>180,565</b>	172,570
		<b>31,015,505</b>	31,361,320
<b>Current assets</b>			
Inventories		<b>166,120</b>	157,374
Trade receivables	10	<b>1,134,145</b>	1,389,094
Prepayment		<b>38,448</b>	26,487
Other financial assets at amortised cost		<b>57,321</b>	50,750
Cash and cash equivalents		<b>1,830,962</b>	1,664,626
Other current assets		<b>175,147</b>	94,768
		<b>3,402,143</b>	3,383,099
<b>Total assets</b>		<b>34,417,648</b>	34,744,419



## INTERIM CONDENSED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

		<b>Unaudited As at 30 June 2020 RMB'000</b>	Audited As at 31 December 2019 RMB'000
	<i>Note</i>		
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	11	<b>4,579,179</b>	4,579,179
Share premium		<b>6,300,867</b>	6,300,867
Capital reserve	12(a)	<b>211,978</b>	204,913
Other reserve	12(b)	<b>(13,291)</b>	(19,649)
Statutory and discretionary reserves	12(c)	<b>6,809,588</b>	6,325,714
Retained earnings		<b>5,646,014</b>	7,569,874
<b>Total equity</b>		<b>23,534,335</b>	24,960,898
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans from the Parent Company	16	<b>1,554,853</b>	1,617,285
Lease liabilities		<b>867,415</b>	934,103
Retirement benefit obligations		<b>127,806</b>	140,566
Deferred income		<b>38,332</b>	41,310
		<b>2,588,406</b>	2,733,264

## INTERIM CONDENSED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

	<i>Note</i>	<b>Unaudited As at 30 June 2020 RMB'000</b>	Audited As at 31 December 2019 RMB'000
<b>Current liabilities</b>			
Short-term borrowings	15	<b>1,400,000</b>	500,000
Trade and other payables	14	<b>6,559,036</b>	6,104,456
Current income tax liabilities		–	75,343
Current portion of loans from the Parent Company	16	<b>172,761</b>	170,241
Current portion of lease liabilities		<b>154,772</b>	191,998
Current portion of retirement benefit obligations		<b>8,338</b>	8,219
		<b>8,294,907</b>	7,050,257
<b>Total liabilities</b>		<b>10,883,313</b>	9,783,521
<b>Total equity and liabilities</b>		<b>34,417,648</b>	34,744,419

The above condensed balance sheet should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		<b>30 June</b>	
	<i>Note</i>	<b>2020</b>	2019
		<b>RMB'000</b>	<i>RMB'000</i>
<b>Revenues</b>			
Aeronautical	6	<b>569,695</b>	2,033,870
Non-aeronautical	6	<b>1,413,040</b>	3,346,499
		<b>1,982,735</b>	5,380,369
<b>Operating expenses</b>			
Depreciation and amortisation		<b>(726,911)</b>	(685,928)
Repairs and maintenance		<b>(434,177)</b>	(478,475)
Aviation safety and security guard costs		<b>(322,537)</b>	(383,570)
Utilities and power		<b>(280,025)</b>	(291,905)
Operating contracted services		<b>(226,589)</b>	(300,888)
Staff costs		<b>(226,215)</b>	(355,732)
Concession management fees		<b>(193,563)</b>	(597,241)
Greening and environmental maintenance		<b>(148,723)</b>	(163,853)
Real estate and other taxes		<b>(132,836)</b>	(126,655)
Other costs		<b>(180,183)</b>	(179,740)
		<b>(2,871,759)</b>	(3,563,987)
Impairment losses on financial assets		<b>(33,786)</b>	(26,692)
Other income		<b>4,094</b>	10,109
Other gains		-	1,763
<b>Operating (loss)/profit</b>		<b>(918,716)</b>	1,801,562

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	Unaudited For the six months ended 30 June	
		2020 RMB'000	2019 RMB'000
Finance income	17	12,067	13,297
Finance costs	17	(76,461)	(93,660)
		<b>(64,394)</b>	(80,363)
<b>(Loss)/profit before income tax</b>		<b>(983,110)</b>	1,721,199
Income tax credit/(expense)	18	245,112	(431,050)
<b>(Loss)/profit for the period</b>		<b>(737,998)</b>	1,290,149
<b>Other comprehensive income</b>			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		6,358	14,992
<b>Other comprehensive income, net of tax</b>		<b>6,358</b>	14,992
<b>Total comprehensive (loss)/income for the period</b>		<b>(731,640)</b>	1,305,141
<b>(Loss)/earnings per share, basic and diluted (RMB)</b>	19	<b>(0.161)</b>	0.298

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	Unaudited						
		Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Statutory and discretionary reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
<b>Balance at 1 January 2020</b>		<b>4,579,179</b>	<b>6,300,867</b>	<b>204,913</b>	<b>(19,649)</b>	<b>6,325,714</b>	<b>7,569,874</b>	<b>24,960,898</b>
Total comprehensive loss for the period		-	-	-	<b>6,358</b>	-	<b>(737,998)</b>	<b>(731,640)</b>
2019 final dividend	13	-	-	-	-	-	<b>(701,988)</b>	<b>(701,988)</b>
Contribution from Parent Company		-	-	<b>7,065</b>	-	-	-	<b>7,065</b>
Transfer to statutory and discretionary reserves	12(c)	-	-	-	-	<b>483,874</b>	<b>(483,874)</b>	-
<b>Balance at 30 June 2020</b>		<b>4,579,179</b>	<b>6,300,867</b>	<b>211,978</b>	<b>(13,291)</b>	<b>6,809,588</b>	<b>5,646,014</b>	<b>23,534,335</b>
<b>Balance at 1 January 2019</b>		<b>4,330,890</b>	<b>5,065,425</b>	<b>1,493,731</b>	<b>(33,155)</b>	<b>5,627,158</b>	<b>6,939,142</b>	<b>23,413,191</b>
Total comprehensive income for the period		-	-	-	<b>14,992</b>	-	<b>1,290,149</b>	<b>1,305,141</b>
2018 final dividend	13	-	-	-	-	-	<b>(702,903)</b>	<b>(702,903)</b>
Contribution from Parent Company		-	-	<b>62,512</b>	-	-	-	<b>62,512</b>
Transfer to statutory and discretionary reserves		-	-	-	-	<b>574,411</b>	<b>(574,411)</b>	-
<b>Balance at 30 June 2019</b>		<b>4,330,890</b>	<b>5,065,425</b>	<b>1,556,243</b>	<b>(18,163)</b>	<b>6,201,569</b>	<b>6,951,977</b>	<b>24,077,941</b>

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

		<b>Unaudited</b>	
		<b>For the six months ended</b>	
		<b>30 June</b>	
	<i>Note</i>	<b>2020</b>	2019
		<b>RMB'000</b>	<i>RMB'000</i>
Net cash (used in)/generated from operating activities		<b>(222,917)</b>	1,821,424
Net cash (used in)/generated from investing activities	21	<b>(298,203)</b>	234,055
Net cash generated from/(used in) financing activities	21	<b>685,553</b>	(1,613,065)
<b>Net increase in cash and cash equivalents</b>		<b>164,433</b>	442,414
Cash and cash equivalents at 1 January		<b>1,664,626</b>	1,806,125
Effect of exchange rate changes		<b>1,903</b>	282
<b>Cash and cash equivalents at 30 June</b>		<b>1,830,962</b>	2,248,821

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.



## 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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 1. GENERAL INFORMATION (CONTINUED)

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”).



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 2. BASIS OF PREPARATION (CONTINUED)

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 23); 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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 3. ACCOUNTING POLICIES (CONTINUED)

#### 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:

	<b>Effective for annual periods beginning on or after</b>
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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019.

### 5. FINANCIAL RISK MANAGEMENT

#### 5.1 Financial risk factors

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

The interim condensed financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2019.

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 5.2 Liquidity risk

As at 30 June 2020 and 31 December 2019, the amounts disclosed below are the contractual undiscounted cash flows of the Company's financial liabilities, which are primarily trade and other payables (excluding accrued liabilities for the title change of the GTC Assets, payroll and welfare payable, advance from customers and tax payable), borrowings, loans from the Parent Company and lease liabilities.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount liabilities RMB'000
<b>As at 30 June 2020</b>						
Trade and other payables	4,128,000	-	-	-	4,128,000	4,128,000
Short-term borrowings	1,439,178	-	-	-	1,439,178	1,400,000
Loans from the Parent Company	185,270	184,537	545,537	882,312	1,797,656	1,727,614
Lease liabilities	180,940	176,328	328,265	655,026	1,340,559	1,022,187
	<b>5,933,388</b>	<b>360,865</b>	<b>873,802</b>	<b>1,537,338</b>	<b>8,705,393</b>	<b>8,277,801</b>
<b>As at 31 December 2019</b>						
Trade and other payables	3,438,286	-	-	-	3,438,286	3,438,286
Short-term borrowings	507,412	-	-	-	507,412	500,000
Loans from the Parent Company	209,648	207,625	598,625	1,003,513	2,019,411	1,787,526
Lease liabilities	207,231	187,704	376,561	705,426	1,476,922	1,126,101
	<b>4,362,577</b>	<b>395,329</b>	<b>975,186</b>	<b>1,708,939</b>	<b>7,442,031</b>	<b>6,851,913</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### 5.2 Liquidity risk (Continued)

The carrying amounts of the Company's financial assets, including cash and cash equivalents, trade receivables, other financial assets at amortised costs and financial liabilities, including trade and other payables, borrowings and loans from the Parent Company, approximate their fair values, as the impact of discounting is not significant.

### 6. REVENUE AND SEGMENT INFORMATION

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Analysis of revenue by category	For the six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Aeronautical		
Aircraft movement fees and related charges	<b>327,552</b>	1,040,087
Passenger charges	<b>242,143</b>	993,783
	<b>569,695</b>	2,033,870
Non-aeronautical		
Concessions	<b>890,156</b>	2,597,254
Rentals	<b>510,856</b>	657,449
Car parking fees	<b>2,772</b>	80,904
Others	<b>9,256</b>	10,892
	<b>1,413,040</b>	3,346,499
	<b>1,982,735</b>	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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 7. INVESTMENT PROPERTIES

	For the six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Opening net book value as at 1 January	–	–
Transferred from property, plant and equipment ( <i>Note 8</i> )	<b>1,386,041</b>	–
Transferred from right-of-use assets ( <i>Note 9</i> )	<b>1,700,762</b>	–
Depreciation	<b>(47,006)</b>	–
Closing net book value as at 30 June	<b>3,039,797</b>	–

The Company and the consortium formed by Shouzhong Investment Management Co., Ltd. and Beijing Jingtai Transportation Investment & Operation Co., Ltd. and its subsidiary Beijing Shouzhong Jingtai Transportation Carpark Management Co., Ltd. (“Beijing Shouzhong Jingtai”) entered into the Operating Right Transfer Agreement which was effective on 1 January 2020. The Company agreed to transfer the Operating Right and lease the Car Park Buildings to Beijing Shouzhong Jingtai. Therefore, the Company transferred the Car Park Buildings and its right-of-use assets to investment properties, with the amounts of RMB1,386,041,000 and RMB1,700,762,000 respectively.

Investment properties are measured initially at cost and stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to write off the cost less accumulated impairment loss of the asset over its estimated useful life.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 8. PROPERTY, PLANT AND EQUIPMENT

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Property, plant and equipment in used	<b>24,823,027</b>	26,639,400
Property, plant and equipment to be disposed	<b>16,004</b>	5,177
	<b>24,839,031</b>	26,644,577
	<b>For the six months ended 30 June</b>	
	<b>2020 RMB'000</b>	2019 RMB'000
Opening net book value as at 1 January	<b>26,639,400</b>	26,972,627
Additions	<b>144,878</b>	149,404
Depreciation	<b>(564,383)</b>	(584,283)
Transferred to investment properties (Note 7)	<b>(1,386,041)</b>	–
Other decreases	<b>(10,827)</b>	–
Closing net book value as at 30 June	<b>24,823,027</b>	26,537,748



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 30 June 2020, buildings with net book value of RMB109,839,000 (as at 31 December 2019: RMB111,936,000) were situated on parcels of allocated land owned by the Parent Company. Parts of these parcels of land were occupied by the Company at nil consideration. As at 30 June 2020, buildings and terminal with a net book value of RMB7,360,937,000 (as at 31 December 2019: RMB7,482,183,000) were situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the Phase III Assets\*. As at 30 June 2020, buildings and terminal with a net book value of RMB873,009,000 (as at 31 December 2019: RMB887,546,000) were situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the building D of Terminal Three and Ancillary Assets (the "T3D Assets"). As at 30 June 2020, buildings with net book value of RMB1,437,462,000 (as at 31 December 2019: RMB1,461,557,000) were situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the GTC Assets\*\*, of which approximately RMB408,812,000 recognised as property, plant and equipment, approximately RMB1,028,650,000 recognised as investment properties. As at the date of approval of the condensed interim financial information, the Company is in the process of applying for the building ownership certificates of these buildings and related assets. As the date of approval of the condensed interim financial information, the Parent Company is in the process of applying and obtaining the land use rights certificates from the Beijing Municipal Bureau of Land and Resource related to the land acquired by the Company as part of the acquisition of the Phase III Assets and the T3D Assets.

\* 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").

\*\* 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 referred to as the GTC Assets.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 30 June 2020, taxiways and structures with net book value of RMB593,167,000 (as at 31 December 2019: RMB603,441,000) were situated on parcels of allocated land owned by the Parent Company and another party. These parcels of land were occupied by the Company at nil consideration.

### 9. RIGHT-OF-USE ASSETS

	For the six months ended	
	30 June	
	2020	2019
	RMB'000	RMB'000
Opening net book value as at 1 January	4,277,275	—
Additions	1,218	63,869
Applying new accounting policy	—	3,896,766
Depreciation	(100,449)	(87,413)
Lease termination	(22,580)	—
Transferred to investment properties (Note 7)	(1,700,762)	—
Closing net book value as at 30 June	2,454,702	3,873,222

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 10. TRADE RECEIVABLES

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Trade receivables		
– CAHC's subsidiaries (Note 22(a))	<b>507,180</b>	389,299
– third parties	<b>997,421</b>	1,336,465
	<b>1,504,601</b>	1,725,764
Less: provision for impairment	<b>(370,456)</b>	(336,670)
	<b>1,134,145</b>	1,389,094

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

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

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 11. SHARE CAPITAL

	Number of ordinary shares <i>(thousands)</i>	H-Shares of RMB1.00 each <i>RMB'000</i>	Domestic Shares of RMB1.00 each <i>RMB'000</i>	Total <i>RMB'000</i>
Registered, issued and fully paid:				
As at 30 June 2020				
and 31 December 2019	4,579,179	1,879,364	2,699,815	4,579,179

The Domestic shares rank pari passu, in all material respects, with H shares except that parts of dividends in respect of H shares are declared in RMB and paid in HK dollar. In addition, the transfer of Domestic shares is subject to certain restrictions imposed by the PRC law.

### 12. RESERVES

#### (a) 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.



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 12. RESERVES (CONTINUED)

#### (b) Other reserve

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

#### (c) Statutory and discretionary reserves

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

Pursuant to the shareholders' resolution in the Annual General Meeting on 23 June 2020, the profit appropriation of RMB483,874,000 to the discretionary surplus reserve fund for the year ended 31 December 2019 proposed by the Board of Directors was recorded in this condensed interim financial information for the six months ended 30 June 2020.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 13. 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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 14. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Trade payables		
Amounts due to related parties		
– CAHC (Note 22(a))	<b>131,770</b>	114,836
– CAHC's subsidiaries (Note 22(a))	<b>1,095,365</b>	881,655
	<b>1,227,135</b>	996,491
Repairs and maintenance charges payable	<b>531,496</b>	526,807
Sub-contracting charges payable	<b>125,212</b>	145,834
Greening and environmental maintenance charges payable	<b>76,183</b>	96,281
Accounts payable for purchases	<b>54,784</b>	61,754
Other	<b>296,364</b>	250,111
	<b>2,311,174</b>	2,077,278

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 14. TRADE AND OTHER PAYABLES (CONTINUED)

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Advance and other payables		
Amounts due to related parties		
– CAHC (Note 22(a))	<b>419,621</b>	48,784
– CAHC's subsidiaries (Note 22(a))	<b>67,038</b>	61,222
	<b>486,659</b>	110,006
Accrued liabilities for the title change of the GTC		
Assets	<b>1,508,693</b>	1,508,693
Construction payable	<b>731,649</b>	873,933
Deed taxes in respect of the acquisition of the Phase III Assets, T3D Assets and the GTC Assets	<b>465,948</b>	465,948
Payroll and welfare payable	<b>358,132</b>	485,374
Dividends payable	<b>288,107</b>	–
Deposits received	<b>279,829</b>	296,149
Advance from customers	<b>84,047</b>	183,153
Receipts on behalf of concession operators	<b>9,400</b>	60,183
Other tax payable	<b>13,491</b>	22,468
Other	<b>21,907</b>	21,271
	<b>4,247,862</b>	4,027,178
	<b>6,559,036</b>	6,104,456

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 14. TRADE AND OTHER PAYABLES (CONTINUED)

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

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

### 15. BORROWINGS

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Short-term	<b>1,400,000</b>	500,000

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 15. BORROWINGS (CONTINUED)

The movement in borrowings is analysed as follows:

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

The loans are denominated in RMB and unsecured.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 16. LOANS FROM THE PARENT COMPANY

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

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Loans from the Parent Company	<b>1,727,614</b>	1,787,526
Less: current portion	<b>(172,761)</b>	(170,241)
	<b>1,554,853</b>	1,617,285
	<b>For the six months ended 30 June</b>	
	<b>2020 RMB'000</b>	2019 RMB'000
Opening amount as at 1 January	<b>1,787,526</b>	1,926,055
Repayments of borrowings	<b>(86,525)</b>	(81,935)
Currency translation differences	<b>26,613</b>	1,280
Closing amount as at 30 June	<b>1,727,614</b>	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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 17. FINANCE INCOME/(COSTS)

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 18. 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.

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
Current income tax	–	(443,006)
Deferred income tax credit	<b>245,112</b>	11,956
	<b>245,112</b>	(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.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 19. (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: 4,330,890,00) 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	
	2020	2019
(Loss)/profit attributable to owners of the Company (RMB'000)	<b>(737,998)</b>	1,290,149
Basic (loss)/earnings per share (RMB per share)	<b>(0.161)</b>	0.298

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 20. CAPITAL COMMITMENTS

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

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	<b>As at 30 June 2020 RMB'000</b>	As at 31 December 2019 RMB'000
Property, plant and equipment	<b>935,346</b>	642,792
Intangible assets	<b>128,094</b>	106,305
	<b>1,063,440</b>	749,097

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 21. SUPPLEMENTARY INFORMATION TO INTERIM CONDENSED STATEMENT OF CASH FLOWS

Cash flows from investing and financing activities included the following:

	For the six months ended	
	2020	2019
	RMB'000	RMB'000
Investing activities		
Interest received	8,401	6,597
Purchase of property, plant and equipment	(300,013)	(269,469)
Purchase of intangible assets	(6,591)	(4,836)
Proceeds from investment in wealth management products	–	501,763
	<b>(298,203)</b>	234,055
Financing activities		
Proceeds from borrowings	1,400,000	1,980,000
Contribution from the Parent Company	7,065	62,512
Repayment of borrowings	(500,000)	(3,480,000)
Lease payments	(106,562)	(15,261)
Repayment of loans from the Parent Company	(86,525)	(81,935)
Interest paid	(28,175)	(78,381)
Credit rating fees paid	(250)	–
	<b>685,553</b>	(1,613,065)



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS

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

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

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



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

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

In addition, a large portion of the Company's bank deposits/bank borrowings were held at/borrowed from state-owned financial institutions in accordance with the terms as set out in the respective agreements or as mutually agreed between the parties concerned at prevailing market terms and rates.

For the purpose of the related party transaction disclosures, the Directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

Other than the transactions as disclosed in the respective notes, the following is a summary of significant transactions carried out with related parties in the ordinary course of business.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (a) Balance with related parties

As at 30 June 2020, balances with related parties comprised of:

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Trade receivables from CAHC's subsidiaries ( <i>Note 10 and i</i> )	<b>507,180</b>	389,299
Prepayment to CAHC	<b>169,881</b>	169,881
Prepayment to subsidiaries of CAHC	<b>38,212</b>	24,575
Other financial assets at amortised costs from CAHC's subsidiaries ( <i>note i</i> )	<b>29,527</b>	22,347
Deposit placed with a subsidiary of CAHC ( <i>note ii</i> )	<b>508,183</b>	806,027
Trade and other payables to CAHC ( <i>Note 14 and i</i> )	<b>551,391</b>	163,620
Trade and other payables to CAHC's subsidiaries and associates ( <i>Note 14 and i</i> )	<b>1,162,403</b>	942,877
Loans from the Parent Company ( <i>Note 16</i> )	<b>1,727,614</b>	1,787,526
Lease liabilities to CAHC and its subsidiaries	<b>636,800</b>	660,687

- (i) The amounts due from and to CAHC and its subsidiaries are unsecured, interest free and repayable within the next twelve months.
- (ii) The deposits are entered into in accordance with the terms as set out in the respective agreements. The interest rates are set at prevailing market rates.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with related parties

	For the six months ended	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Transactions with CAHC, CAHC's subsidiaries and associates		
Revenues:		
Concessions	<b>44,206</b>	68,849
Rentals	<b>130,586</b>	186,629
Waste water treatment	<b>5,660</b>	5,660
Finance income:		
Interest income	<b>5,656</b>	6,525

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with related parties (Continued)

	For the six months ended	
	30 June	
	2020	2019
	RMB'000	RMB'000
Expenses:		
Provision of aviation safety and security guard services and maintenance of security equipments	<b>295,075</b>	363,008
Provision of utilities and power	<b>278,203</b>	292,096
Provision of terminal maintenance and operating services	<b>206,592</b>	230,709
Provision of concession management services	<b>193,563</b>	597,241
Provision of certain sanitary services, baggage cart, car park operation management services, property management services, greening and environmental maintenance services	<b>101,083</b>	119,184
Provision of accessorial power and energy services	<b>97,832</b>	97,002
Provision of on-site joint inspection services	<b>43,319</b>	12,076
Provision of airport guidance services	<b>25,848</b>	24,212
Use of trademark license	<b>19,831</b>	53,147
Provision of baggage storage, lost and found services	<b>4,703</b>	3,905

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with related parties (Continued)

	For the six months ended	
	2020	2019
	RMB'000	RMB'000
Provision of canteen management services	<b>3,688</b>	2,910
Rental expenses	<b>2,384</b>	3,063
Provision of beverage services	<b>2,330</b>	2,455
Provision of advertisement services	<b>106</b>	129
Provision of contingency shuttle bus service during Automated People Mover ("APM") failure	–	801
Other:		
Recognition of right-of-use assets on leased assets owned by CAHC and its subsidiaries	–	675,029
Interest charges on lease liabilities to CAHC and its subsidiaries	<b>15,531</b>	19,059
Interest charges on loans from the Parent Company (Note 17)	<b>14,494</b>	28,907
Provision of construction services	–	22,622

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

### 22. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Transactions with related parties (Continued)

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

#### (c) Key management compensation

	<b>For the six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	RMB'000
Salaries, allowances and other benefits	<b>1,918</b>	2,479

### 23. 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 date of approval of the condensed interim financial information, the Application has been approved by the Association.



## GENERAL INFORMATION OF THE COMPANY

### BOARD

#### Executive Directors

Liu Xuesong (*Chairman*)

Han Zhiliang (*General Manager*)

Zhang Guoliang (*Deputy General Manager*)

#### Non-executive Directors

Gao Shiqing

Jia Jianqing

Song Kun

#### Independent Non-executive Directors

Jiang Ruiming

Liu Guibin

Zhang Jiali

Stanley Hui Hon-chung



## GENERAL INFORMATION OF THE COMPANY (CONTINUED)

### BOARD (CONTINUED)

#### **Audit and Risk Management Committee**

Liu Guibin (*Chairman*)  
Jiang Ruiming  
Zhang Jiali  
Stanley Hui Hon-chung

#### **Remuneration and Evaluation Committee**

Stanley Hui Hon-chung (*Chairman*)  
Jiang Ruiming  
Liu Guibin  
Zhang Jiali  
Gao Shiqing  
Zhang Guoliang

#### **Nomination Committee**

Jiang Ruiming (*Chairman*)  
Liu Guibin  
Zhang Jiali  
Stanley Hui Hon-chung  
Liu Xuesong  
Han Zhiliang  
Zhang Guoliang

#### **Strategy Committee**

Liu Xuesong (*Chairman*)  
Han Zhiliang  
Zhang Guoliang  
Zhang Jiali



## **GENERAL INFORMATION OF THE COMPANY (CONTINUED)**

### **LEGAL REPRESENTATIVE**

Mr. Liu Xuesong

### **JOINT COMPANY SECRETARY**

Mr. Meng Xianwei and Mr. Mok Chung Kwan, Stephen

### **AUDITOR**

PricewaterhouseCoopers

### **REGISTERED ADDRESS**

Capital Airport, Beijing, the PRC

### **PRINCIPAL ADDRESS OF BUSINESS IN HONG KONG**

37/F, One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

### **INVESTORS RELATION DEPARTMENT**

#### **Secretariat to the Board**

E-mail address: [ir@bcia.com.cn](mailto:ir@bcia.com.cn)

Fax number: 8610 6450 7700

Website: [www.bcia.com.cn](http://www.bcia.com.cn)

### **SHARE REGISTRAR AND TRANSFER OFFICE**

#### **Hong Kong Registrars Limited**

1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## GENERAL INFORMATION OF THE COMPANY (CONTINUED)

### SHARE INFORMATION

Name of H shares: Beijing Airport

Stock code: 00694

### PRICE AND TURNOVER HISTORY OF SHARES

Year	Price per share		Turnover of share (in millions)
	High (HK\$)	Low (HK\$)	
<b>2020</b>			
January	<b>7.66</b>	<b>6.13</b>	<b>175.8</b>
February	<b>6.98</b>	<b>6.05</b>	<b>210.6</b>
March	<b>6.55</b>	<b>4.62</b>	<b>345.8</b>
April	<b>5.73</b>	<b>4.33</b>	<b>289.8</b>
May	<b>5.41</b>	<b>4.69</b>	<b>268.6</b>
June	<b>5.87</b>	<b>4.81</b>	<b>320.1</b>
<b>2019</b>			
July	7.03	6.06	123.3
August	6.93	5.72	215.1
September	7.22	6.40	274.6
October	8.23	6.64	249.9
November	8.08	7.29	108.6
December	7.91	7.10	113.0