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

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

(Stock Code: 00694)

2014 Annual Results Announcement

FINANCIAL HIGHLIGHTS

- In 2014, the Company's aircraft movements reached 581,953 sorties, representing an increase of 2.5% as compared with the previous year. The passenger throughput reached 86,128,270 person-times, representing an increase of 2.9% as compared with the previous year. The cargo and mail throughput reached 1,848,251 tonnes, representing an increase of 0.2% as compared with the previous year.

- In 2014, the operating revenues of the Company were RMB7,655,957,000, representing an increase of 6.0% as compared with the previous year.

- In 2014, the aeronautical revenues of the Company were RMB4,367,823,000, representing an increase of 4.0% as compared with the previous year.

- In 2014, the non-aeronautical revenues of the Company were RMB3,288,134,000, representing an increase of 8.8% as compared with the previous year.

- In 2014, the operating expenses of the Company were RMB5,171,471,000, representing an increase of 6.7% as compared with the previous year.

- In 2014, the net profit after tax of the Company was RMB1,391,231,000, the earnings per share was RMB0.32, representing an increase of 4.7% as compared with the previous year.

- The Board proposed to distribute the final dividend of RMB0.0816 per share for the year ended 31 December 2014, totally amounted to approximately RMB353,401,000.

The board of directors (the "Board") of Beijing Capital International Airport Company Limited (the "Company") is pleased to announce the audited results of the Company for the year ended 31 December 2014, together with the comparative figures of 2013, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as below:

STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended 31 December **2014** *RMB'000*	2013 *RMB'000*
Revenues			
Aeronautical	3	**4,367,823**	4,201,746
Non-aeronautical	3	**3,288,134**	3,023,072
		7,655,957	7,224,818
Business tax and levies			
Aeronautical		**(7,646)**	(7,937)
Non-aeronautical		**(91,732)**	(85,959)
		(99,378)	(93,896)
Operating expenses			
Depreciation and amortisation		**(1,453,972)**	(1,538,232)
Repairs and maintenance		**(741,153)**	(652,110)
Utilities and power		**(628,827)**	(584,836)
Staff costs		**(517,135)**	(497,992)
Aviation safety and security guard costs		**(488,926)**	(456,803)
Rental expenses		**(385,266)**	(229,617)
Operating contracted services		**(280,264)**	(248,048)
Greening and environmental maintenance		**(202,893)**	(199,556)
Real estate and other taxes		**(163,129)**	(163,310)
Other costs		**(309,906)**	(277,166)
	4	**(5,171,471)**	(4,847,670)
Other income		**8,195**	776
Operating profit		**2,393,303**	2,284,028

	Note	For the year ended 31 December 2014 RMB'000	2013 RMB'000
Finance income	5	**21,005**	102,388
Finance costs	5	**(560,105)**	(614,267)
		(539,100)	(511,879)
Share of post-tax profits of a joint venture		**4,836**	3,231
Profit before income tax		**1,859,039**	1,775,380
Income tax expense	6	**(467,808)**	(446,356)
Profit for the year		**1,391,231**	1,329,024
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		**(16,545)**	4,326
Share of other comprehensive income of investments in a joint venture		**(5,331)**	—
Other comprehensive income for the year, net of tax		**(21,876)**	4,326
Total comprehensive income for the year		**1,369,355**	1,333,350
Earnings per share, basic and diluted *(RMB)*	7	**0.32**	0.31
Dividends			
Interim dividend declared	8	**203,119**	201,819
Final dividend proposed	8	**353,401**	329,581

BALANCE SHEET

		As at 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**27,298,979**	28,492,753
Land use rights		**667,945**	684,280
Intangible assets		**38,804**	37,757
Investment in a joint venture		**55,647**	56,142
Deferred income tax assets		**102,050**	35,950
Other non-current assets	9	**53,671**	54,127
		28,217,096	29,361,009
Current assets			
Inventories		**118,226**	114,647
Trade and other receivables	9	**1,391,672**	1,168,628
Cash and cash equivalents		**2,184,273**	2,052,283
		3,694,171	3,335,558
Total assets		**31,911,267**	32,696,567
EQUITY			
Capital and reserves			
Share capital		**4,330,890**	4,330,890
Share premium		**5,055,425**	5,055,425
Capital reserve	10	**927,704**	773,771
Other reserve		**(11,309)**	10,567
Statutory and discretionary reserves		**3,427,412**	3,022,484
Retained earnings		**3,118,846**	2,689,063
Proposed final dividend	8	**353,401**	329,581
Total equity		**17,202,369**	16,211,781

		As at 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	**2,225,000**	2,985,000
Bonds payable	13	**2,994,976**	4,890,150
Retirement benefit obligations		**117,633**	103,211
Deferred income		**9,217**	11,426
Loans from the Parent Company	14	**2,682,237**	2,824,311
		8,029,063	10,814,098
Current liabilities			
Trade and other payables	11	**1,926,554**	2,132,635
Interest payable		**221,720**	225,813
Short-term borrowings	12	**2,250,000**	3,000,000
Current income tax liabilities		**214,058**	145,533
Current portion of long-term borrowings	12	**10,000**	10,000
Current portion of bonds payable	13	**1,899,694**	—
Current portion of retirement benefit obligations		**7,310**	6,752
Current portion of loans from the Parent Company	14	**150,499**	149,955
		6,679,835	5,670,688
Total liabilities		**14,708,898**	16,484,786
Total equity and liabilities		**31,911,267**	32,696,567
Net current liabilities		**(2,985,664)**	(2,335,130)
Total assets less current liabilities		**25,231,432**	27,025,879

STATEMENT OF CHANGES IN EQUITY

	Note	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*
Balance at 1 January 2013		4,330,890	5,055,425	621,520	6,241	2,655,065	2,554,658	15,223,799
Profit for the year		—	—	—	—	—	1,329,024	1,329,024
Other comprehensive income for the year		—	—	—	4,326	—	—	4,326
Total comprehensive income for the year		—	—	—	4,326	—	1,329,024	1,333,350
Cash contribution from the Parent Company	10	—	—	152,251	—	—	—	152,251
2012 final dividend		—	—	—	—	—	(295,800)	(295,800)
2013 interim dividend	8	—	—	—	—	—	(201,819)	(201,819)
Transfer to statutory and discretionary reserves		—	—	—	—	367,419	(367,419)	—
Balance at 31 December 2013		4,330,890	5,055,425	773,771	10,567	3,022,484	3,018,644	16,211,781
Representing:								
Share capital and reserves		4,330,890	5,055,425	773,771	10,567	3,022,484	2,689,063	15,882,200
2013 proposed final dividend	8	—	—	—	—	—	329,581	329,581
Balance at 31 December 2013		4,330,890	5,055,425	773,771	10,567	3,022,484	3,018,644	16,211,781

	Note	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
Balance at 1 January 2014		**4,330,890**	**5,055,425**	**773,771**	**10,567**	**3,022,484**	**3,018,644**	**16,211,781**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**1,391,231**	**1,391,231**
Other comprehensive income for the year		**–**	**–**	**–**	**(21,876)**	**–**	**–**	**(21,876)**
Total comprehensive income for the year		**–**	**–**	**–**	**(21,876)**	**–**	**1,391,231**	**1,369,355**
Cash contribution from the Parent Company	10	**–**	**–**	**153,933**	**–**	**–**	**–**	**153,933**
2013 final dividend	8	**–**	**–**	**–**	**–**	**–**	**(329,581)**	**(329,581)**
2014 interim dividend	8	**–**	**–**	**–**	**–**	**–**	**(203,119)**	**(203,119)**
Transfer to statutory and discretionary reserves		**–**	**–**	**–**	**–**	**404,928**	**(404,928)**	**–**
Balance at 31 December 2014		**4,330,890**	**5,055,425**	**927,704**	**(11,309)**	**3,427,412**	**3,472,247**	**17,202,369**
Representing:								
Share capital and reserves		**4,330,890**	**5,055,425**	**927,704**	**(11,309)**	**3,427,412**	**3,118,846**	**16,848,968**
2014 proposed final dividend	8	**–**	**–**	**–**	**–**	**–**	**353,401**	**353,401**
Balance at 31 December 2014		**4,330,890**	**5,055,425**	**927,704**	**(11,309)**	**3,427,412**	**3,472,247**	**17,202,369**

NOTE

1 GENERAL INFORMATION

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

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

2 BASIS OF PREPARATION

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

The financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

As at 31 December 2014, the current liabilities of the Company exceeded the current assets by RMB2,985,664,000 (2013: RMB2,335,130,000). Given the debt obligations and working capital requirements, management has thoroughly considered the Company's available sources of funds as follows:

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

- Unutilised long-term banking facilities of RMB13.0 billion.

Based on the above considerations, the Board is of the opinion that the Company has sufficient available financial resources to meet or refinance its working capital requirements as and when they fall due. As a result, the financial statements of the Company for the year ended 31 December 2014 have been prepared on a going concern basis.

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

(1) Amendments and interpretation to standards which are effective for the financial year beginning on 1 January 2014 and adopted by the Company

The following amendments and interpretation to standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2014:

Amendments and interpretation to standards		**Effective for accounting periods beginning on or after**
Amendment to IAS 32	'Financial instruments: Presentation' on offsetting of financial asset and financial liability	1 January 2014
Amendment to IAS 36	'Impairment of assets' on the recoverable amount disclosures for the non-financial assets	1 January 2014
Amendment to IAS 39	'Financial Instruments: Recognition and Measurement' – Novation of derivatives and the continuation of hedging accounting	1 January 2014
Amendment to IFRS 10, IFRS 12 and IAS 27	'Consolidation for investment entities'	1 January 2014
IFRIC – Int 21	'Levies'	1 January 2014

None of amendments and interpretation to standards which are effective for the financial year beginning on 1 January 2014 and adopted by the Company has significant impact to the Company's results for the year ended 31 December 2014 and the Company's financial position as at 31 December 2014.

(2) New standards and amendments to standards not yet effective for the financial year beginning on 1 January 2014 and have not been early adopted by the Company

New standards and amendments to standards		Effective for accounting periods beginning on or after
Amendment to IAS 19	Defined benefit plans: employee contributions	1 July 2014
Amendment to IAS 1	For the disclosure initiative	1 January 2016
Amendment to IAS 27	Equity method in separate financial statements	1 January 2016
Amendment to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendment to IAS 16 and IAS 41	Agriculture: bearer plants	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendment to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendment to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to IFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IFRS 9	Financial instruments	1 January 2018

Management is in the process of assessing the impact of these new standards and amendments to standards on the financial statements. None of new standards and amendments to standards mentioned above is expected to have a significant effect on the financial statements of the Company.

(3) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company’s first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Company is in the process of making an assessment of expected impact of the changes in the Companies

Ordinance on the financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the financial statements will be affected.

3 REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board 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. The Board considers the performance assessment of the Company should be based on the results of the Company as a whole. Therefore, management considers there to be only one operating segment under the requirement of IFRS 8.

Analysis of revenues by category	**2014**	2013
	RMB'000	*RMB'000*
Aeronautical:		
Passenger charges	**1,701,331**	1,641,613
Aircraft movement fees and related charges	**1,575,036**	1,494,701
Airport Fee *(Note a)*	**1,091,456**	1,065,432
	4,367,823	4,201,746
Non-aeronautical:		
Concessions *(Note b)*	**2,153,198**	2,023,522
Rentals	**944,390**	815,427
Car parking fee	**182,580**	170,228
Others	**7,966**	13,895
	3,288,134	3,023,072
Total revenues	**7,655,957**	7,224,818

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

The charge rates of the Airport Fee were regulated by relevant authorities and the Company recognised the revenue of the Airport Fee according to the authorised charge rates attributable to the Company on the Airport Fee collected by CAAC from outbound passengers.

During the year, the Company did not receive any notice from relevant authorities for the updated charge rates attributable to the Company on the Airport Fee collected by CAAC from outbound passengers. Based on historical transaction pattern, cash settlement made by CAAC and management's best estimation, the Company recognised its revenue of the Airport Fee for the year ended 31 December 2014 at the rate of 48% of total amount collected by CAAC from outbound passengers, which was as same as that of previous years.

As at 31 December 2014, the Company has received from CAAC the Airport Fee for the year ended 31 December 2014 in full at the rate of 48% of total amount collected by CAAC from outbound passengers departing from Beijing Capital Airport.

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

	2014	2013
	RMB'000	*RMB'000*
Retailing	**943,311**	880,489
Advertising	**817,222**	772,119
Restaurants and food shops	**125,431**	122,747
Ground handling	**111,523**	110,001
VIP service	**71,306**	70,775
Other	**84,405**	67,391
	2,153,198	2,023,522

As the Company is domiciled in the PRC from where all of its revenues from external customers for the years ended 31 December 2014 and 2013 are derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2014, approximately 20%, 12% and 11% (2013: 20%, 12% and 11%) of the total revenues of the Company are derived from three single external customers (including their subsidiaries).

4 EXPENSES BY NATURE

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

	2014	2013
	RMB'000	*RMB'000*
Depreciation on property, plant and equipment		
— owned assets	**1,400,026**	1,467,296
— owned assets leased out under operating leases	**24,051**	24,620
Amortisation of land use rights	**16,335**	16,316
Amortisation of intangible assets	**13,560**	30,000
Operating lease rentals		
— Building D of Terminal Three ("T3D")	**263,419**	113,285
— Office building	**47,755**	47,755
— Land use rights	**39,826**	36,186
— Information technology center	**16,811**	16,321
— Other rentals	**17,455**	16,070
Loss on disposal of property, plant and equipment	**5,769**	5,662
Provision for impairment of trade receivables *(Note 9)*	**25,860**	34,699

	2014	2013
	RMB'000	*RMB'000*
Auditor's remuneration	**3,707**	3,290
— Audit services	**3,290**	3,290
— Non-audit services	**417**	—

5 FINANCE INCOME/(COSTS)

	2014	2013
	RMB'000	*RMB'000*
Finance income		
Exchange gain, net	**—**	80,407
Interest income on bank deposits	**21,005**	21,981
	21,005	102,388
Finance costs		
Interest for borrowings wholly repayable within 5 years	**(274,684)**	(340,402)
Interest for bonds payable wholly repayable within 5 years	**(228,570)**	(228,368)
Interest for loans from the Parent Company		
— Wholly repayable within 5 years	**(28,254)**	(25,234)
— Not wholly repayable within 5 years	**(15,713)**	(17,956)
Exchange loss, net	**(10,611)**	—
Bank charges	**(2,273)**	(2,307)
	(560,105)	(614,267)
Net finance costs	**(539,100)**	(511,879)

6 TAXATION

(a) Corporate income tax

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

The Company is subject to corporate income tax at a rate of 25% (2013: 25%) on its taxable income as determined in accordance with the relevant PRC income tax Laws and regulations.

	2014	2013
	RMB'000	*RMB'000*
Current tax	**528,393**	499,016
Deferred income tax	**(60,585)**	(52,660)
	467,808	446,356

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

	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**1,859,039**	1,775,380
Less: Share of post-tax profits of a joint venture	**(4,836)**	(3,231)
	1,854,203	1,772,149
Tax calculated at a tax rate of 25% (2013: 25%)	**463,551**	443,037
Expenses not deductible for tax purpose	**4,257**	3,319
Tax charge	**467,808**	446,356

(b) Business tax and value added tax

Pursuant to "Notice regarding the Issuance of Pilot Proposal for the Change from Business Tax to Value Added Tax" (Cai Shui [2011] No. 110) and "Notice regarding the Issuance of Pilot Proposal for the Change from Business Tax to Value Added Tax on Transportation Industry and Part of Modern Service Industry in Beijing and Other 8 Provinces and Cities" (Cai Shui [2012] No. 71) and relevant further regulations issued by the Ministry of Finance of the People's Republic of China and the State Administration of Taxation, starting from 1 September 2012, aeronautical revenues from domestic airliners (excluding the revenue of Civil Aviation Development Fund) and concession revenues (excluding concession revenue of restaurants and food shops) of the Company are subject to value added tax at the rate of 6%; rental revenues of tangible assets under operating lease are subject to value added tax at the rate of 3% based on the simplified method for tax calculation; the revenue of Civil Aviation Development Fund and aeronautical revenues from International, Hong Kong and Macau airliners are exempt from paying any value added tax or business tax since 1 September 2012. Other revenues are subject to business tax at the rate of 5%.

(c) Real estate tax

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

7 EARNINGS PER SHARE

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

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2014 and 2013.

	2014	2013
Profit for the year *(RMB'000)*	**1,391,231**	1,329,024
Basic earnings per share *(RMB)*	**0.32**	0.31

8 DIVIDENDS

	2014	2013
Dividend proposed		
Final dividend *(RMB'000)*	**353,401**	329,581
Final dividend per share *(RMB)*	**0.0816**	0.0761
Interim dividend *(RMB'000)*	**203,119**	201,819
Interim dividend per share *(RMB)*	**0.0469**	0.0466

The final dividend for the year ended 31 December 2014 was proposed at the Board meeting held on 25 March 2015. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2015.

9 TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables		
— CAHC's subsidiaries	**205,629**	140,563
— a joint venture	**139**	255
— third parties	**1,174,629**	1,053,546
	1,380,397	1,194,364
Less: Provision for impairment	**(79,891)**	(65,326)
	1,300,506	1,129,038
Bill receivable		
— third parties	**32,035**	19,489
Dividends receivable		
— a joint venture	**3,230**	3,230
Prepayments and other receivables		
— CAHC and its subsidiaries	**90,483**	49,810
— third parties	**19,089**	21,188
	109,572	70,998
Total trade and other receivables	**1,445,343**	1,222,755
Less: non-current portion	**(53,671)**	(54,127)
Current portion	**1,391,672**	1,168,628

The ageing analysis of the trade receivables is as follows:

	2014	2013
	RMB'000	*RMB'000*
Less than 3 months	**957,625**	740,327
4 – 6 months	**46,890**	75,278
7 – 12 months	**79,254**	86,495
1 – 2 years	**138,616**	142,091
2 – 3 years	**101,720**	86,430
Over 3 years	**56,292**	63,743
	1,380,397	1,194,364

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

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

	2014	2013
	RMB'000	*RMB'000*
Not past due	**29**	—
Past due up to 3 months	**144**	72
Past due 4 – 6 months	**49**	28
Past due 7 – 12 months	**252**	1,694
Past due over 1 year	**79,417**	63,532
	79,891	65,326

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

	2014	2013
	RMB'000	*RMB'000*
At beginning of year	**65,326**	30,627
Provision for impairment of receivables	**25,860**	34,699
Receivables written off during the year as uncollectible	**(11,295)**	—
At end of year	**79,891**	65,326

Prepayment and other receivables do not contain impaired assets.

10 CAPITAL RESERVE

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

11 TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Payables to CAHC	**163,868**	68,154
Payables to CAHC's subsidiaries	**404,668**	522,985
Payables to a joint venture of the Company	**141,537**	146,997
Payables to third parties		
— Construction payable	**158,307**	428,361
— Deed taxes in respect of the acquisition of the Phase III Assets*	**312,578**	312,578
— Repairs and maintenance charges payable	**244,211**	189,653
— Payroll and welfare payable	**107,372**	145,394
— Deposits received	**74,785**	63,424
— Accounts payable for purchases	**38,725**	20,979
— Other taxes payable	**27,848**	5,329
— Greening and environmental maintenance charges payable	**21,880**	29,393
— Sub-contracting charges payable	**18,021**	18,303
— Housing subsidy payable to employees	**3,614**	10,789
— Other payables	**209,140**	170,296
	1,926,554	2,132,635

* In 2008, the Company acquired the Airfield Assets, Terminal Three of the Beijing Capital Airport ("T3"), T3 related assets, roads within airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related construction is situated (collectively the "Phase III Assets"). Please refer to the circular of the Company dated 21 February 2008 for the relevant details.

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

	2014	2013
	RMB'000	*RMB'000*
Less than 3 months	**1,075,128**	1,058,336
4 – 6 months	**119,204**	112,576
7 – 12 months	**101,995**	99,701
Over 12 months	**630,227**	862,022
	1,926,554	2,132,635

12 BORROWINGS

	2014	2013
	RMB'000	*RMB'000*
Short-term *(Note a)*	**2,250,000**	3,000,000
Long-term		
— non-current portion *(Note b)*	**2,225,000**	2,985,000
— current portion *(Note b)*	**10,000**	10,000
	4,485,000	5,995,000

Movements in borrowings are analysed as follows:

	2014	2013
	RMB'000	*RMB'000*
Opening amount as at 1 January	**5,995,000**	7,500,000
Proceeds of new borrowings	**2,500,000**	6,500,000
Repayments of borrowings	**(4,010,000)**	(8,005,000)
Closing amount as at 31 December	**4,485,000**	5,995,000

(a) As at 31 December 2014, this loan is denominated in RMB and unsecured. The interest rate has been made by reference to published loan interest rate issued by the People's Bank of China. The principal amount is repayable in May 2015.

(b) This loan is denominated in RMB and unsecured. The interest rate has been made by reference to published loan interest rate issued by the People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 is required to be paid semi-annually commencing on 20 November 2013 through 20 November 2015 and the remaining balance is required to be paid in 2016. During the year ended 31 December 2014, an additional principal amount of RMB750,000,000 was paid in advance. The fair value of the long-term borrowings as at 31 December 2014 approximates to its carrying amount.

13 BONDS PAYABLE

	2014	2013
	RMB'000	*RMB'000*
Principal amount	**4,900,000**	4,900,000
Bonds issuance cost	**(25,650)**	(25,650)
Proceeds received	**4,874,350**	4,874,350
Accumulated amortisation amounts of bonds issuance cost	**20,320**	15,800
	4,894,670	4,890,150
Less: current portion	**(1,899,694)**	—
Non-current portion	**2,994,976**	4,890,150

On 5 February 2010, the Company issued bonds with an aggregate principal amount of RMB1,900,000,000 and RMB3,000,000,000 with maturity periods of 5 and 7 years, respectively.

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

The bonds with the principal amount of RMB1,900,000,000 will be repayable in February 2015, thus the book value of RMB1,899,694,000 as at 31 December 2014 is reclassified as current liabilities.

The fair value of the bonds payable at 31 December 2014 is RM4,819,059,000 which is based on discounted cash flows with the applicable discount rate of 5.6% and 6.0% representing the prevailing market rate of interest available to the Company for financial instruments with substantially the same terms and characteristics as at the balance sheet date. The fair value is within level 2 of the fair value hierarchy.

14 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 borrowings which were previously obtained by the Parent Company with same terms from European Investment Bank and domestic financial institutes. The borrowings were not reassigned into the name of the Company.

	Loans previously obtained by the Parent Company from		
	European Investment Bank	**Domestic financial institutions**	**Total**
	(Note a)	*(Note b)*	
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2014			
Loans from the Parent Company	**2,332,736**	**500,000**	**2,832,736**
Less: current portion	**(150,499)**	**—**	**(150,499)**
	2,182,237	**500,000**	**2,682,237**
As at 31 December 2013			
Loans from the Parent Company	2,474,266	500,000	2,974,266
Less: current portion	(149,955)	—	(149,955)
	2,324,311	500,000	2,824,311

	2014	2013
	RMB'000	*RMB'000*
Opening amount as at 1 January	**2,974,266**	3,205,398
Repayments of borrowings	**(152,740)**	(150,631)
Currency translation differences	**11,210**	(80,501)
Closing amount as at 31 December	**2,832,736**	2,974,266

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

(b) This loan is denominated in RMB and unsecured. The interest rate is referenced to published inter-bank repo rates issued by China Foreign Exchange Trading Center & National Interbank Funding Center and repriced every half year. The interest is payable semi-annually. The principal amount will be repayable in full in 2016.

15 EVENTS AFTER THE BALANCE SHEET

During January 2015, the Company completed the acquisition of the T3D and related assets (the "Target Assets") for a total consideration of RMB2,240,000,000 pursuant to the assets transfer agreement (the "Agreement") entered into by the Company and the Parent Company on 31 October 2014, which has been approved by the independent shareholders of the Company in the Extraordinary General Meeting on 18 December 2014 (the "Approval Date"). The Company has paid the initial consideration of RMB672,000,000 in January 2015 and the remaining balance of the consideration shall be paid by the Company within one year from the Approval Date by way of cash.

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

The financial figures above in respect of the announcement of the Company's annual results for the year ended 31 December 2014 (the "Announcement") have been agreed by the Company's international auditors, PricewaterhouseCoopers, to the amounts set out in the Company's financial statements for the year ended 31 December 2014. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the Announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2014, the operating revenues of the Company were RMB7,655,957,000, representing an increase of 6.0% over the previous year, among which, the aeronautical revenues were RMB4,367,823,000, representing an increase of 4.0% over the previous year, and the non-aeronautical revenues were RMB3,288,134,000, representing an increase of 8.8% over the previous year.

In 2014, the Company's operation remained stable generally. As for the revenues, the aeronautical revenues continued its momentum to increase as a result of a moderate increase in the air traffic volumes. The non-aeronautical revenues maintained steady growth as well driven by the increase in purchasing-power parity of passengers, the increase in the price at some new contracts and other factors. As for the costs, the operating expenses of the Company in 2014 were RMB5,171,471,000, representing an increase of 6.7% over the previous year, due to the commencement of operation of T3D and the increase in energy prices, etc.

Detailed analysis of the revenues and operating expenses are as follows:

Air Traffic Volumes

In 2014, as influenced by various factors including economic slowdown at home and abroad, turbulent political situation in certain foreign areas and others, the air traffic volumes of Beijing Capital Airport recorded a steady and slight increase. For domestic routes, the relevant aircraft movements and passenger throughput continued to record a modest growth subject to the slow growth of domestic economy and the tight flight slots of Beijing Capital Airport; while for international routes, the growth of relevant aircraft movements and passenger throughput remained stable due to the gradual increase in demand for air travel of international passengers and the higher percentage of large aircrafts in 2014, which were comparable to those in the previous year. In 2014, the aircraft movements of Beijing Capital Airport reached 581,953 sorties, representing an increase of 2.5% over the previous year. The passenger throughput reached 86,128,270 person-times, representing an increase of 2.9% over the previous year. The cargo and mail throughput reached 1,848,251 tonnes, representing an increase of 0.2% over the previous year.

The details are as follows:

	2014	2013	Change *(%)*
Aircraft Movements *(unit: sorties)*	**581,953**	567,759	2.5%
including: Domestic	**456,177**	444,197	2.7%
International and Hong Kong, Macau & Taiwan	**125,776**	123,562	1.8%
Passenger Throughput *(unit: person-times)*	**86,128,270**	83,712,355	2.9%
including: Domestic	**65,397,707**	63,900,130	2.3%
International and Hong Kong, Macau & Taiwan	**20,730,563**	19,812,225	4.6%
Cargo and Mail Throughput *(unit: tonnes)*	**1,848,251**	1,843,681	0.2%
including: Domestic	**1,007,897**	1,026,868	–1.8%
International and Hong Kong, Macau & Taiwan	**840,354**	816,813	2.9%

Aeronautical Revenues

	2014	2013	Change
	RMB'000	*RMB'000*	*(%)*
Passenger charges	**1,701,331**	1,641,613	3.6%
Aircraft movement fees and related charges	**1,575,036**	1,494,701	5.4%
Airport Fee	**1,091,456**	1,065,432	2.4%
Total aeronautical revenues	**4,367,823**	4,201,746	4.0%

In 2014, the total aeronautical revenues of the Company were RMB4,367,823,000, representing an increase of 4.0% over the previous year. Among which, the revenue from passenger charges was RMB1,701,331,000, representing an increase of 3.6% over the previous year, which was higher than the increase in passenger throughput, mainly due to another one-quarter (i.e. the first quarter in 2014) positive impact of the uniform charging policy for domestic airliners operating international routes[(Note)] with effect from 1 April 2013 on the aeronautical revenue of the Company during the reporting period; the revenue from aircraft movement fees and related charges was RMB1,575,036,000, representing an increase of 5.4% over the previous year which was higher than the increase in aircraft movement mainly due to an increase in aircraft movements, a higher percentage of large aircrafts and the uniform charging policy for domestie airliners operating international routes; the revenue from the Airport Fee was RMB1,091,456,000, representing an increase of 2.4% over the previous year, which was slightly lower than the increase of passenger throughput, mainly due to the significant growth in the number of children passengers (Note: Airport Fee is waived for children passengers) resulted from the popularity of the parent-child travel market.

Note: Uniform charging policy for domestic airliners operating international routes refers to: pursuant to the "Notice Regarding the Adjustment of Charging Standards of Civil Airport for International, Hong Kong and Macau Flights Operated by Domestic Airliners" issued by the Civil Aviation Administration of China and the National Development and Reform Commission (Min Hang Fa [2013] No. 3) (the "Notice"), with effect from 1 April 2013, for international, Hong Kong and Macau flights operated by domestic airliners, the benchmark price of charging standards for the charging items in the aeronautical business in the mainland outbound (inbound) airports would be determined based on the benchmark price of the charging standards for flights operated by the international, Hong Kong and Macau airliners; and for the non-outbound (inbound) airports in the mainland, when the destination of the passenger, cargo and mail is an international city, Hong Kong or Macau, the benchmark price of charging standards for passenger charges, security check charges on passengers and luggage, security check charges on cargo and mail would be determined based on the benchmark price of charging standards for flights operated by the international, Hong Kong and Macau airliners.

Non-Aeronautical Revenues

		2014	2013	Change
		RMB'000	*RMB'000*	*(%)*
Concessions		**2,153,198**	2,023,522	6.4%
Including:	Retailing	**943,311**	880,489	7.1%
	Advertising	**817,222**	772,119	5.8%
	Restaurants and food shops	**125,431**	122,747	2.2%
	Ground handling	**111,523**	110,001	1.4%
	VIP service	**71,306**	70,775	0.8%
	Others	**84,405**	67,391	25.2%
Rentals		**944,390**	815,427	15.8%
Car parking fee		**182,580**	170,228	7.3%
Others		**7,966**	13,895	–42.7%
Non-aeronautical revenues		**3,288,134**	3,023,072	8.8%

In 2014, the non-aeronautical revenues of the Company were RMB3,288,134,000, representing an increase of 8.8% over the previous year. In 2014, the concession revenues of the Company were RMB2,153,198,000, representing an increase of 6.4% over the previous year. Among which, the concession revenues from retailing were RMB943,311,000, representing an increase of 7.1% over the previous year, which was benefited from the recovery of the growth in international passenger throughput and the modest increase in the average purchasing power of passengers resulted from the increase in the number of passengers with high purchasing power (the number of passengers in international routes from domestic airlines increased by 11.6% as compared with the corresponding period of the previous year). The concession revenues from advertising were RMB817,222,000, representing an increase of 5.8% over the previous year due to the addition of certain new media resources and the increase in certain new contractual prices. The concession revenues from restaurants and food shops were RMB125,431,000, representing an increase of 2.2% over the previous year. The concession revenues from ground handling services were RMB111,523,000, representing an increase of 1.4% over the previous year. The concession revenues from VIP services were RMB71,306,000, representing an increase of 0.8% over the previous year. Other concession revenues of the Company were RMB84,405,000, representing an increase of 25.2% over the previous year, which was mainly due to the addition of certain resources and business cooperation projects.

In 2014, the rental revenues of the Company were RMB944,390,000, representing an increase of 15.8% over the previous year, mainly due to the increase in the rental price of relevant business lease resources in the terminals and area lease resources outside the terminals. In addition, the Company reached agreements with certain customers in respect of the usage fee of some facilities for the previous years, and recognised the related revenues in the current year.

In 2014, the car parking service fee of the Company was RMB182,580,000, representing an increase of 7.3% over the previous year, mainly due to the appropriate increase in car parking price standard made by the Company.

In 2014, the other revenues of the Company were RMB7,966,000, representing a decrease of 42.7% from the previous year.

Operating Expenses

	2014	2013	Change
	RMB'000	*RMB'000*	*(%)*
Depreciation and amortisation	**1,453,972**	1,538,232	–5.5%
Repairs and maintenance	**741,153**	652,110	13.7%
Utilities and power	**628,827**	584,836	7.5%
Staff costs	**517,135**	497,992	3.8%
Aviation safety and security guard costs	**488,926**	456,803	7.0%
Rental expenses	**385,266**	229,617	67.8%
Operating contracted services	**280,264**	248,048	13.0%
Greening and environmental maintenance	**202,893**	199,556	1.7%
Real estate and other taxes	**163,129**	163,310	–0.1%
Other costs	**309,906**	277,166	11.8%
Operating Expenses	**5,171,471**	4,847,670	6.7%

In 2014, the total operating expenses of the Company were RMB5,171,471,000, representing an increase of 6.7% over the previous year. The change in costs was mainly due to the relevant costs generated from the commencement of operation of T3D. In order to increase the passenger capability of the domestic waiting areas, T3D was officially put into operation in May 2013. Therefore, the repair and maintenance expenses, the utilities and power expenses, the aviation safety and security guard costs, the operating contracted services costs and the rental expenses of the Company, which were related to T3D, correspondingly increased in 2014.

In 2014, the depreciation and amortisation expenses of the Company were RMB1,453,972,000, representing a decrease of 5.5% from the previous year, mainly because the depreciation and amortisation period of certain fixed assets and intangible assets ended as at the end of 2013 and no corresponding expenses were incurred during the reporting period.

In 2014, the repair and maintenance expenses of the Company were RMB741,153,000, representing an increase of 13.7% over the previous year.

In 2014, the utilities and power expenses of the Company were RMB628,827,000, representing an increase of 7.5% over the previous year, mainly due to the increase in corresponding power consumption resulted from the operation of T3D, the increase in energy price and the extended air condition supply during the reporting period.

In 2014, the staff costs of the Company were RMB517,135,000, representing an increase of 3.8% over the previous year.

In 2014, the aviation safety and security guard costs of the Company were RMB488,926,000, representing an increase of 7.0% over the previous year, mainly due to the increase in security personnel and equipment as a result of the growth of the air traffic volumes of the airport, the operation of T3D, the provision for the APEC Meeting and the security upgrade for dealing with international security situation and emergencies in public areas.

In 2014, the rental expenses of the Company were RMB385,266,000, representing an increase of 67.8% over the previous year, mainly due to the longer rental term of another six months for T3D in the reporting period as compared with the previous year.

In 2014, the operation service expenses of the Company were RMB280,264,000, representing an increase of 13.0% over the previous year.

In 2014, the greening and environmental maintenance expenses of the Company were RMB202,893,000, representing an increase of 1.7% over the previous year.

In 2014, the real estate tax and other taxes of the Company were RMB163,129,000, representing a decrease of 0.1% from the previous year.

In 2014, the other costs of the Company were RMB309,906,000, representing an increase of 11.8% over the previous year, which was mainly resulted from the additional new trademark usage fee arising from the contract entered into between the Parent Company and the Company at the end of 2013 (pursuant to the contract, the Company shall pay the trademark usage fee of Beijing Capital Airport to the Parent Company annually, calculated as 1% of the revenues from the principal business of the Company in the preceding year). Meanwhile, the Company significantly reduced each type of administrative expenses, and greatly offset the substantial increase impact of the additional trademark usage fee.

Other Items in the Statement of Comprehensive Income

In 2014, the other income of the Company was RMB8,195,000, representing an increase of 956.1% as compared with the previous year, which was mainly due to the increase in government subsidies received and credited by the Company in the reporting period.

In 2014, the net finance costs after deducting finance income of the Company were RMB539,100,000, representing an increase of 5.3% as compared with the previous year, which was mainly due to the considerable exchange losses on the liabilities denominated in US dollar as a result of the significant depreciation in RMB against USD in 2014.

In 2014, the income tax expense of the Company was RMB467,808,000, representing an increase of 4.8% as compared with the previous year.

Profit For the Year

For the financial year ended 31 December 2014, the profit of the Company amounted to RMB1,391,231,000, representing an increase of 4.7% as compared with the previous year.

Dividend

The Board proposed to distribute the final dividend of RMB0.0816 per share for 2014, totally amounting to approximately RMB353,401,000*(Note)* (2013: RMB329,581,000). Such proposal shall be subject to the approval by the shareholders at the forthcoming 2014 annual general meeting ("AGM") of the Company. The details of the payment of the final dividend will be set out in the notice of AGM to be issued by the Company in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Company distributed the interim dividend of RMB0.0469 per share for 2014, totally amounting to approximately RMB203,119,000.

There was no arrangement under which any shareholder of the Company has waived or agreed to waive any dividend during the year ended 31 December 2014.

Note: Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" and the "Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China", both implemented in 2008, and the "Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H-Share" (No. 897 GSH[2008]) issued by China's State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% when distributing the 2014 final dividend to the non-resident enterprise H share shareholders whose names appear on the register of members for H shares of the Company on the relevant record date (the "Record Date") to be announced by the Company in accordance with the requirements of the Listing Rules. For the holders of the H shares (the "H Shareholders") who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which shall be treated as "non-resident enterprises" shareholders) on the register of members for H shares of the Company on the Record Date, the Company will distribute the 2014 final dividend, after withholding and paying enterprise income tax of 10%.

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

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

Exposure to Fluctuations in Exchange Rates

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

According to the overall plan of the acquisition of the Phase III Assets*(Note)*, the Company assumed the US dollar-denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 31 December 2014. Therefore, the fluctuation of RMB exchange rate against the US dollar will affect the financial results of the Company.

Note: 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 related buildings are situated (collectively the "Phase III Assets").

As at 31 December 2014, the assets and liabilities of the Company denominated in USD included cash and cash equivalents of approximately RMB92,691,000 (2013: RMB70,936,000), trade and other receivables of approximately RMB3,485,000 (2013: RMB10,812,000), trade and other payables of approximately RMB5,502,000 (2013: RMB5,474,000), and loans from the Parent Company of approximately RMB2,332,736,000 (2013: RMB2,474,266,000). During 2014, the Company recorded a net exchange loss of RMB10,611,000.

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 RMB2,832,736,000, which included 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% and the corporate bonds from the Parent Company at an interest rate with reference to interbank repo rate announced by China Foreign Exchange Trading Centre and National Interbank Funding Centre. The total amount of the non-current and current portion of the Company's long-term borrowings was RMB2,235,000,000. The interest rates were referenced to the benchmark rate announced by the People's Bank of China. As such, any change in LIBOR and interest rates of People's Bank of China will affect the interest expenses and financial results of the Company.

Contingent Liabilities

As at 31 December 2014, the Company had no significant contingent liabilities.

Liquidity and Financial Resources

In 2014, the Company's net cash generated from operating activities amounted to RMB3,264,680,000, representing an increase of RMB18,494,000 as compared with RMB3,246,186,000 for the year of 2013. In 2014, the Company's net cash outflow from investing activities of the Company amounted to RMB542,578,000. In 2014, the Company's net cash outflow from financing activities amounted to RMB2,590,667,000.

As at 31 December 2014, the Company had cash and cash equivalents totally amounting to RMB2,184,273,000, while the cash and cash equivalents of the Company amounted to RMB2,052,283,000 as at 31 December 2013.

As at 31 December 2014, the Company's short-term borrowings were RMB2,250,000,000, the long-term borrowings which would be matured within one year were RMB10,000,000, the non-current portion of the long-term borrowings were RMB2,225,000,000, the loans from the Parent Company were RMB2,832,736,000, the current portion of the bonds payables was RMB1,899,694,000 and the non-current portion of the bonds payable was RMB2,994,976,000. As at the date of this report, the Company is in the course of negotiation with the relevant financial institutions about the renewal of the borrowings. It is expected that the renewal will be proceeded smoothly and will not cause any significant impact on the financial position of the Company.

As at 31 December 2014, the current ratio of the Company was 0.6, which was same to that as at 31 December 2013. Such ratios were computed by dividing the amount of the total current assets by the amount of the total current liabilities as at those respective dates.

As at 31 December 2014, the liability-to-asset ratio of the Company was 46.09%, and as at 31 December 2013, the liability-to-asset ratio of the Company was 50.42%. Such ratios were computed by dividing the total amount of liabilities by the amount of total assets as at those respective dates.

As at 31 December 2014, the capital and reserves of the Company was RMB17,202,369,000 and as at 31 December 2013, the capital and reserves of the Company was RMB16,211,781,000.

As at 31 December 2014, the Company had unutilised long-term bank credit facilities totalling RMB13 billion (2013: RMB15.5 billion). The Company may consider to use the unutilised bank credit facilities mentioned above partly or totally according to the requirements of the business operation and cash management of the Company.

Employees and employee welfare

1. The numbers of employees of the Company are set out as follows, together with a comparison with those in the previous year:

	2014	2013
Total employees	**1,683**	1,675

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 of 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 labor productivity.

2. Employees' basic medical insurance and commercial medical insurance

Since 1 January 2003, the Company and its subsidiaries have complied with the regulations of the Beijing Municipal Government for basic medical insurance. 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 with an amount within 4% of the average monthly salaries of its employees in the previous year. 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.

Charge on Assets

During the year ended 31 December 2014 , there were no assets charged or pledged by the Company.

Acquisition and Disposal

During the year ended 31 December 2014, the Company did not conduct any acquisition or disposal.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2014, the Company has not redeemed, purchased or sold any of its listed securities.

Compliance with Corporate Governance Code

The Company confirms that it has complied with all the code provisions set out in the Corporate Governance Code ("Code") during the period from 1 January 2014 to 31 December 2014 except for the Code provision in relation to the matter set out below.

In respect of Code provision A.6.7, the Company held its 2013 AGM on 30 June 2014. Except for Mr. Zhang Guanghui and Mr. Chen Guoxing who were absent from the AGM due to their business engagement, all other members of the Board were present. All of the six ordinary resolutions were smoothly passed at the AGM. After the AGM, the Company dispatched the meeting minutes to all members of the Board to keep the absent Directors informed of the proposals resolved in the meeting.

2015 Outlook

The economic development of the PRC is now entering the new normal with substantial changes in growth rate, development model, structure and momentum of the economy. The civil aviation industry, which is highly related to daily life of people, is also entering the new normal where growth rate slows down, market competition intensifies and development condition is complex. Beijing Capital Airport and the Company are also gradually presenting the features of the new normal. The air traffic volumes of Beijing Capital Airport are experiencing slow growth and the operating quality of Beijing Capital Airport is under great pressure against the backdrop of stringent aviation safety and security regulations. Besides, the resources development abilities of Beijing Capital Airport are limited by the saturating operating resources, and the business development model of Beijing Capital Airport is subject to its business structure.

The Company is still full of confidence about the development prospect and layout in the future as long as it manages to identify and recognize rationally and precisely the prevailing conditions and problems arising from its development and to proactively adapt itself to the development rules and adjust the development mode under the new normal stage in a bid to create and capture opportunities under such circumstances.

The new normal of the economic development brought about new opportunities. The collaboration development among Beijing, Tianjin and Hebei based on the national strategies formulated by the State and the deepening of the reform on stated-owned enterprises have provided the Company's future development with strategic guidance. The integrated development among Beijing, Tianjin and Hebei is not only a favorable opportunity to push forward the complementary advantages, diversified functions and joint development among Beijing Capital Airport, Tianjin Airport and Shijiazhuang Airport, but also a valuable chance and platform for Beijing Capital Airport to release its resources and optimize its resources allocation. The Company will continue to promote the interaction and collaboration among the three airports and make a breakthrough in tackling the bottlenecks in the development of Beijing Capital Airport through assisting in the establishment of an integrated layout for the aviation network covering Beijing, Tianjin and Hebei. The reform on state-owned enterprises is an entire release from the restrictions on development and an important key for solving the difficulties in the sustainable development of the Company. The Company will adhere to the concept of market-orientation and legal governance in its future development to carry out reform and innovation. The Company will create new drive for sustainable development on the foundation it has established for 15 years.

Regarding business growth, the Company is currently insuring safety and security, reorganizing structure, stabilizing growth and improving quality while exploring new growth momentum and means for its business by optimizing inventories and layouts. For instance, the Company will explore a new model for the cargo business through integration of cargo resources so as to create new growth momentum for the operation business of the Company. Regarding the non-aeronautical business, with the adjustment and innovation on the commercial concession model and the strengthening of online marketing, the Company will introduce more external business models to stimulate new vitality and potential of growth for the non-aeronautical business.

In the future, along with the continuous growth and more diversified businesses for development, Beijing Capital Airport will be able to make more contributions to the regional economy. Meanwhile, as an infrastructure operator, the Company is committed to providing passengers and the public with safe, efficient and high-quality services and actively performing its social responsibilities and encouraging the establishment and development of a green and smart airport with innovative technology. Under the new normal, the Company will capture the new opportunities, create new growth momentum, pursue new development and reward the community and its shareholders with high efficiency and excellent performance for their trust and support, which will lead to a whole new win-win situation of sustainable development for the enterprise and all parties involved.

THE ANNUAL RESULTS, ANNUAL REPORT AND AGM

The annual results of the Company have been reviewed by the audit committee of the Company. The financial figures in respect of this annual results announcement have been agreed by the Company's international auditor, PricewaterhouseCoopers, to the amounts set out in the Company's financial statements for the year ended 31 December 2014. This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk), IR Asia (http://www.irasia.com.hk) and the Company (http://www.bcia.com.cn).

The annual report for the year ended 31 December 2014 containing all the relevant information required by Appendix 16 to the Listing Rules and the Notice of 2014 AGM will be despatched to shareholders and will be available on the above-mentioned websites in due course.

By order of the Board
Liu Xuesong
Chairman

Beijing, the PRC, 25 March 2015

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

Executive Directors:	*Mr. Liu Xuesong, Mr. Shi Boli and Ms. Gao Lijia*
Non-executive Directors:	*Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Ma Zheng and Mr. Cheng Chi Ming, Brian*
Independent Non-executive Directors:	*Mr. Japhet Sebastian Law, Mr. Wang Xiaolong, Mr. Jiang Ruiming and Mr. Liu Guibin*