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

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

(Stock Code: 00694)

2015 Annual Results Announcement

FINANCIAL HIGHLIGHTS

- In 2015, the Company's aircraft movements reached 590,169 sorties, representing an increase of 1.4% as compared with the previous year. The passenger throughput reached 89,938,628 person-times, representing an increase of 4.4% as compared with the previous year. The cargo and mail throughput reached 1,889,829 tonnes, representing an increase of 2.2% as compared with the previous year.

- In 2015, the operating revenues of the Company were RMB8,509,962,000, representing an increase of 11.2% as compared with the previous year.

- In 2015, the aeronautical revenues of the Company were RMB4,593,099,000, representing an increase of 5.2% as compared with the previous year.

- In 2015, the non-aeronautical revenues of the Company were RMB3,916,863,000, representing an increase of 19.1% as compared with the previous year.

- In 2015, the operating expenses of the Company were RMB5,603,060,000, representing an increase of 8.3% as compared with the previous year.

- In 2015, the net profit after tax of the Company was RMB1,641,915,000, the earnings per share was RMB0.38, representing an increase of 18.0% as compared with the previous year.

- The Board proposed to distribute the final dividend of RMB0.0943 per share for the year ended 31 December 2015, totally amounted to RMB408,403,000.

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 2015, together with the comparative figures of 2014, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as below:

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Revenues			
Aeronautical	3	**4,593,099**	4,367,823
Non-aeronautical	3	**3,916,863**	3,288,134
		8,509,962	7,655,957
Business tax and levies			
Aeronautical		**(7,185)**	(7,646)
Non-aeronautical		**(115,555)**	(91,732)
		(122,740)	(99,378)
Operating expenses			
Depreciation and amortisation		**(1,593,418)**	(1,453,972)
Repairs and maintenance		**(687,285)**	(741,153)
Utilities and power		**(616,654)**	(628,827)
Concession management fee		**(562,519)**	–
Aviation safety and security guard costs		**(532,888)**	(488,926)
Staff costs		**(531,004)**	(517,135)
Operating contracted services		**(277,500)**	(280,264)
Greening and environmental maintenance		**(197,888)**	(202,893)
Real estate and other taxes		**(171,527)**	(163,129)
Rental expenses		**(112,123)**	(385,266)
Other costs		**(320,254)**	(309,906)
	4	**(5,603,060)**	(5,171,471)

		For the year ended 31 December	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Other income		**14,742**	8,195
Operating profit		**2,798,904**	2,393,303
Finance income	5	**29,880**	21,005
Finance costs	5	**(643,845)**	(560,105)
		(613,965)	(539,100)
Share of post-tax profits of a joint venture		**8,017**	4,836
Profit before income tax		**2,192,956**	1,859,039
Income tax expense	6	**(551,041)**	(467,808)
Profit for the year		**1,641,915**	1,391,231
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		**551**	(16,545)
Share of other comprehensive loss of investment in a joint venture		**(4,090)**	(5,331)
Other comprehensive loss for the year, net of tax		**(3,539)**	(21,876)
Total comprehensive income for the year		**1,638,376**	1,369,355
Earnings per share, basic and diluted *(RMB)*	7	**0.38**	0.32

BALANCE SHEET

		As at 31 December	
		2015	2014
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**27,750,245**	27,298,979
Land use rights		**1,163,821**	667,945
Intangible assets		**47,829**	38,804
Investment in a joint venture		**39,858**	55,647
Deferred income tax assets		**132,478**	102,050
Other non-current assets	9	**52,668**	53,671
		29,186,899	28,217,096
Current assets			
Inventories		**125,650**	118,226
Trade and other receivables	9	**1,265,808**	1,391,672
Cash and cash equivalents		**2,112,869**	2,184,273
		3,504,327	3,694,171
Total assets		**32,691,226**	31,911,267
EQUITY			
Capital and reserves			
Share capital		**4,330,890**	4,330,890
Share premium		**5,055,425**	5,055,425
Capital reserve	10	**957,510**	927,704
Other reserve		**(14,848)**	(11,309)
Statutory and discretionary reserves		**3,869,850**	3,427,412
Retained earnings		**4,070,163**	3,472,247
Total equity		**18,268,990**	17,202,369

	Note	As at 31 December 2015 RMB'000	2014 RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings	12	**1,885,000**	2,225,000
Bonds payable	13	**2,997,278**	2,994,976
Retirement benefit obligations		**114,280**	117,633
Deferred income		**17,288**	9,217
Loans from the Parent Company	14	**2,156,118**	2,682,237
		7,169,964	8,029,063
Current liabilities			
Trade and other payables	11	**2,216,392**	1,926,554
Interest payable		**142,887**	221,720
Short-term borrowings	12	**2,000,000**	2,250,000
Current income tax liabilities		**240,961**	214,058
Current portion of long-term borrowings	12	**1,985,000**	10,000
Current portion of bonds payable		**–**	1,899,694
Current portion of retirement benefit obligations		**7,319**	7,310
Current portion of loans from the Parent Company	14	**659,713**	150,499
		7,252,272	6,679,835
Total liabilities		**14,422,236**	14,708,898
Total equity and liabilities		**32,691,226**	31,911,267

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 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		–	–	–	–	–	(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
Balance at 1 January 2015		**4,330,890**	**5,055,425**	**927,704**	**(11,309)**	**3,427,412**	**3,472,247**	**17,202,369**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**1,641,915**	**1,641,915**
Other comprehensive income for the year		**–**	**–**	**–**	**(3,539)**	**–**	**–**	**(3,539)**
Total comprehensive income for the year		**–**	**–**	**–**	**(3,539)**	**–**	**1,641,915**	**1,638,376**
Cash contribution from the Parent Company	10	**–**	**–**	**29,806**	**–**	**–**	**–**	**29,806**
2014 final dividend	8	**–**	**–**	**–**	**–**	**–**	**(353,401)**	**(353,401)**
2015 interim dividend	8	**–**	**–**	**–**	**–**	**–**	**(248,160)**	**(248,160)**
Transfer to statutory and discretionary reserves		**–**	**–**	**–**	**–**	**442,438**	**(442,438)**	**–**
Balance at 31 December 2015		**4,330,890**	**5,055,425**	**957,510**	**(14,848)**	**3,869,850**	**4,070,163**	**18,268,990**

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 all applicable International Financial Reporting Standards ("IFRS"), and have been prepared under the historical cost convention.

As at 31 December 2015, the current liabilities of the Company exceeded the current assets by RMB3,747,945,000 (2014: RMB2,985,664,000). Given the debt obligations and working capital requirements, management has thoroughly considered the Company's available sources of funds as follows:

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

- The Company's financing arrangements with commercial banks in the first half year of 2016.

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 financial statements of the Company for the year ended 31 December 2015 have been prepared on a going concern basis.

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

(1) Amendments to standards which are effective for the financial year beginning on 1 January 2015 and adopted by the Company

The following amendments to standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2015:

Amendments to standards		**Effective for accounting periods beginning on or after**
Amendment to IAS 19	Regarding defined benefit plans: employee contributions	1 July 2014

None of amendments to standards which are effective for the financial year beginning on 1 January 2015 and adopted by the Company has significant impact to the Company's results for the year ended 31 December 2015 and the Company's financial position as at 31 December 2015.

(2) 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 during the financial year, as a result, there are changes to presentation and disclosures of certain information in the financial statements.

(3) New standards and amendments to standards not yet effective for the financial year beginning on 1 January 2015 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 1	Disclosure initiative	1 January 2016
Amendment to IAS 27	Equity method in separate financial statements	1 January 2016
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 and IAS 41	Agriculture: bearer plants	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date is to be determined
Amendments 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
Amendment to IAS 7	Statement of cash flows	1 January 2017
Amendment to IAS 12	Income taxes	1 January 2017
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 16	Leases	1 January 2019

The Company will apply the above new standards and amendments to standards when they become effective. The Company is in the process of making an assessment of the impact of the above new standards and amendments to standards.

3 REVENUES 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. Resources are allocated based on what is beneficial to the Company in enhancing the value as a whole. The Board of Directors considers the performance assessment of the Company should be based on the results of the Company as a whole. Therefore, management considers there to be only one operating segment under the requirement of IFRS 8.

Analysis of revenues by category	**2015** ***RMB'000***	2014 *RMB'000*
Aeronautical:		
Passenger charges	**1,787,892**	1,701,331
Aircraft movement fees and related charges	**1,663,170**	1,575,036
Airport fee *(note a)*	**1,142,037**	1,091,456
	4,593,099	4,367,823
Non-aeronautical:		
Concessions *(note b)*	**2,648,285**	2,153,198
Rentals	**1,080,250**	944,390
Car parking fee	**177,084**	182,580
Others	**11,244**	7,966
	3,916,863	3,288,134
Total revenues	**8,509,962**	7,655,957

(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 calculated its revenue of the Airport Fee for the year ended 31 December 2015 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 2015, the Company has received from CAAC the Airport Fee for the year ended 31 December 2015 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:

	2015	2014
	RMB'000	*RMB'000*
Retailing	**1,094,160**	943,311
Advertising	**1,093,209**	817,222
Restaurants and food shops	**185,652**	125,431
Ground handling	**117,207**	111,523
VIP service	**57,155**	71,306
Other	**100,902**	84,405
	2,648,285	2,153,198

As the Company is domiciled in the PRC from where all of its revenues from external customers for the years ended 31 December 2015 and 2014 are derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2015, approximately 18% and 12% (2014: 20%, 12% and 11%) of the total revenues of the Company are derived from two (2014: three) single external customers (including their subsidiaries).

4 EXPENSES BY NATURE

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

	2015	2014
	RMB'000	*RMB'000*
Depreciation on property, plant and equipment		
– Owned assets	**1,511,554**	1,400,026
– Owned assets leased out under operating leases	**29,909**	24,051
Amortisation of land use rights	**28,201**	16,335
Amortisation of intangible assets	**23,754**	13,560
Operating lease rentals		
– Building D of Terminal Three ("T3D")	**–**	263,419
– Office building	**49,101**	47,755
– Land use rights	**40,389**	39,826
– Information technology center	**16,811**	16,811
– Other rentals	**5,822**	17,455
Loss on disposal of property, plant and equipment	**7,426**	5,769
Provision for impairment of trade receivables *(Note 9)*	**32,519**	25,860
Auditor's remuneration	**3,905**	3,707
– Audit services	**3,420**	3,290
– Non-audit services	**485**	417

5 FINANCE INCOME/(COSTS)

	2015	2014
	RMB'000	*RMB'000*
Finance income:		
Interest income on bank deposits	**29,880**	21,005
Finance costs:		
Interest for borrowings wholly repayable within 5 years	**(315,700)**	(274,684)
Interest for bonds payable wholly repayable within 5 years	**(149,289)**	(228,570)
Interest for loans from the Parent Company		
– Wholly repayable within 5 years	**(25,190)**	(28,254)
– Not wholly repayable within 5 years	**(16,245)**	(15,713)
Exchange loss, net	**(135,353)**	(10,611)
Bank charges	**(2,068)**	(2,273)
	(643,845)	(560,105)
Net finance costs	**(613,965)**	(539,100)

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% (2014: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	2015	2014
	RMB'000	*RMB'000*
Current tax	**581,653**	528,393
Deferred income tax	**(30,612)**	(60,585)
	551,041	467,808

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:

	2015	2014
	RMB'000	*RMB'000*
Profit before income tax	**2,192,956**	1,859,039
Less: Share of post-tax profit of a joint venture	**(8,017)**	(4,836)
	2,184,939	1,854,203
Tax calculated at a tax rate of 25% (2014: 25%)	**546,235**	463,551
Expenses not deductible for tax purpose	**4,806**	4,257
Tax charge	**551,041**	467,808

(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), "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 Airport Fee and aeronautical revenues from International, Hong Kong, Macau and Taiwan 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 2015 and 2014.

	2015	2014
Profit for the year *(RMB'000)*	**1,641,915**	1,391,231
Basic earnings per share *(RMB per share)*	**0.38**	0.32

8 DIVIDENDS

	2015	2014
Dividend proposed		
Final dividend *(RMB'000)*	**408,403**	353,401
Final dividend per share *(RMB)*	**0.0943**	0.0816
Interim dividend *(RMB'000)*	**248,160**	203,119
Interim dividend per share *(RMB)*	**0.0573**	0.0469

The final dividend for the year ended 31 December 2015 was proposed at the Board of Directors meeting held on 22 March 2016. This proposed dividend is not reflected as a dividends payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ended 31 December 2016.

9 TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables		
– CAHC's fellow subsidiaries	**27,288**	205,629
– a joint venture	**438**	139
– third parties	**1,250,356**	1,174,629
	1,278,082	1,380,397
Less: provision for impairment	**(112,410)**	(79,891)
	1,165,672	1,300,506
Bill receivable		
– third parties	**11,346**	32,035
Dividends receivable		
– a joint venture of the Company	**22,946**	3,230
Prepayments and other receivables		
– CAHC and its subsidiaries	**95,402**	90,483
– third parties	**23,110**	19,089
	118,512	109,572
Total trade and other receivables	**1,318,476**	1,445,343
Less: non-current portion	**(52,668)**	(53,671)
Current portion	**1,265,808**	1,391,672

The ageing analysis of the trade receivables is as follows:

	2015	2014
	RMB'000	*RMB'000*
Less than 3 months	**749,610**	957,625
4 – 6 months	**65,686**	46,890
7 – 12 months	**125,912**	79,254
1 – 2 years	**136,581**	138,616
2 – 3 years	**113,946**	101,720
Over 3 years	**86,347**	56,292
	1,278,082	1,380,397

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly between 0 to 3 months.

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

	2015	2014
	RMB'000	*RMB'000*
Not past due	**–**	29
Past due up to 3 months	**27**	144
Past due 4 – 6 months	**616**	49
Past due 7 – 12 months	**1,467**	252
Past due over 1 year	**110,300**	79,417
	112,410	79,891

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

	2015	2014
	RMB'000	*RMB'000*
At beginning of year	**79,891**	65,326
Provision for impairment of receivables	**32,519**	25,860
Receivables written off during the year as uncollectible	**–**	(11,295)
At end of year	**112,410**	79,891

Prepayments 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

	2015	2014
	RMB'000	*RMB'000*
Trade payables *(note a)*		
Amounts due to related parties		
– CAHC	**66,382**	119,084
– CAHC's subsidiaries	**323,366**	324,746
– a joint venture of the Company	**96,598**	127,009
	486,346	570,839
Repairs and maintenance charges payable	**279,588**	244,211
Accounts payable for purchases	**44,635**	38,725
Sub-contracting charges payable	**30,358**	18,021
Greening and environmental maintenance charges payable	**26,876**	21,880
Other	**134,022**	122,789
	1,001,825	1,016,465
Advance and Other payables		
Amounts due to related parties		
– CAHC	**40,929**	44,784
– CAHC's subsidiaries	**81,623**	79,922
– a joint venture of the Company	**14,794**	14,528
	137,346	139,234

	2015 *RMB'000*	2014 *RMB'000*
Deed taxes in respect of the acquisition of the Phase III Assets* and T3D and Ancillary Assets (the "T3D Assets")	**357,335**	312,578
Construction payable	**238,311**	158,307
Payroll and welfare payable	**194,977**	110,986
Advance from customers	**116,360**	55,468
Deposits received	**76,918**	74,785
Receipts on behalf of concession operators	**47,284**	–
Other taxes payable	**24,687**	27,848
Other	**21,349**	30,883
	1,214,567	910,089
	2,216,392	1,926,554

* 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:

	2015 *RMB'000*	2014 *RMB'000*
Less than 3 months	**644,653**	686,257
4 – 6 months	**83,216**	105,543
7 – 12 months	**27,477**	72,951
Over 12 months	**246,479**	151,714
	1,001,825	1,016,465

12 BORROWINGS

	2015	2014
	RMB'000	*RMB'000*
Short-term *(note a)*	**2,000,000**	2,250,000
Long-term		
– non-current portion *(note b)*	**1,885,000**	2,225,000
– current portion *(note b)*	**1,985,000**	10,000
	5,870,000	4,485,000

Movements in borrowings are analysed as follows:

	2015	2014
	RMB'000	*RMB'000*
Opening amount as at 1 January	**4,485,000**	5,995,000
Proceeds of new borrowings	**4,150,000**	2,500,000
Repayments of borrowings	**(2,765,000)**	(4,010,000)
Closing amount as at 31 December	**5,870,000**	4,485,000

As at 31 December 2015, the Company's borrowings were repayable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**3,985,000**	2,260,000
Between 1 and 2 years	**10,000**	2,225,000
Between 2 and 5 years	**1,875,000**	–
	5,870,000	4,485,000

(a) As at 31 December 2015, 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 2016.

(b) The loan with the remaining amount of RMB1,895,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 will be paid semi-annually commencing on 29 July 2015 through 29 July 2017 and the remaining balance will be paid in 2018. Thus the balance of RMB10,000,000 as at 31 December 2015 is reclassified as current liabilities.

The loan with the remaining amount of RMB1,975,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 will be paid semi-annually commencing on 20 November 2013 through 20 November 2015 and the remaining balance will be paid in May 2016. Thus the remaining balance of RMB1,975,000,000 as at 31 December 2015 is reclassified as current liabilities.

The fair value of the long-term borrowings as at 31 December 2015 approximates to their carrying amount.

13 BONDS PAYABLE

	2015	2014
	RMB'000	*RMB'000*
Principal amount	**3,000,000**	4,900,000
Bonds issuance cost	**(15,704)**	(25,650)
Proceeds received	**2,984,296**	4,874,350
Accumulated amortisation amounts of bonds issuance cost	**12,982**	20,320
	2,997,278	4,894,670
Less: current portion	**–**	(1,899,694)
Non-current portion	**2,997,278**	2,994,976

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.

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

The fair value of the bonds payable at 31 December 2015 is RMB2,996,838,000 which is based on discounted cash flows with the applicable discount rate of 4.75% 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 institutions. The borrowings were not reassigned into the name of the Company.

	Loans previously obtained by the Parent Company from		
	European Investment Bank *(note a)*	**Domestic financial institutions** *(note b)*	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2015			
Loans from the Parent Company	**2,315,831**	**500,000**	**2,815,831**
Less: current portion	**(159,713)**	**(500,000)**	**(659,713)**
	2,156,118	**–**	**2,156,118**
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

	2015	2014
	RMB'000	*RMB'000*
Opening amount as at 1 January	**2,832,736**	2,974,266
Repayments of borrowings	**(155,417)**	(152,740)
Currency translation differences	**138,512**	11,210
Closing amount as at 31 December	**2,815,831**	2,832,736

As at 31 December 2015, the Company's loans from the Parent Company were repayable as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**659,713**	150,499
Between 1 and 2 years	**159,713**	650,499
Between 2 and 5 years	**479,139**	451,497
Over 5 years	**1,517,266**	1,580,241
	2,815,831	2,832,736

(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, thus the book value of RMB500,000,000 as at 31 December 2015 is reclassified as current liabilities.

The financial figures above in respect of the announcement of the Company's annual results for the year ended 31 December 2015 (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 2015. 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 2015, the Company's operation remained stable generally. As for the revenues, the operating revenues of the Company were RMB8,509,962,000, representing an increase of 11.2% over the previous year. Among which, the aeronautical revenues continued its momentum to increase as a result of the moderate increase in the air traffic volumes, and reached RMB4,593,099,000, representing an increase of 5.2% over the previous year; the non-aeronautical revenues maintained steady growth as well driven by factors such as the adjustment in concession model of certain businesses, the increase in average purchasing power of passengers, and the increase in the fee of certain new contracts, and reached RMB3,916,863,000, representing an increase of 19.1% over the previous year. As for the costs, the operating expenses of the Company in 2015 were RMB5,603,060,000, representing an increase of 8.3% over the previous year, due to factors, such as the additional expenses incurred upon the adjustment in the concession model.

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

OVERVIEW OF AERONAUTICAL BUSINESS

In 2015, benefited from the recovery in the domestic aviation market and the continuous high demand for air travel of passengers, the air traffic volumes of Beijing Capital Airport maintained a stable growth. Among which, the air traffic volumes of international routes, as well as Hong Kong, Macau & Taiwan, continued to grow notably faster than the domestic volumes. In 2015, the cumulative aircraft movements in Beijing Capital Airport reached 590,169 sorties, representing an increase of 1.4% as compared with the previous year; the cumulative passenger throughput reached 89,938,628 person-times, representing an increase of 4.4% as compared with the previous year; the cumulative cargo and mail throughput reached 1,889,829 tonnes, representing an increase of 2.2% as compared with the previous year.

Detailed information is set out in the table below:

	2015	2014	Change
Aircraft Movements *(unit: sorties)*	**590,169**	581,953	1.4%
including: Domestic	**457,572**	456,177	0.3%
International, Hong Kong, Macau & Taiwan	**132,597**	125,776	5.4%
Passenger Throughput *(unit: person-times)*	**89,938,628**	86,128,270	4.4%
including: Domestic	**67,362,736**	65,397,707	3.0%
International, Hong Kong, Macau & Taiwan	**22,575,892**	20,730,563	8.9%
Cargo and mail throughput *(unit: tonnes)*	**1,889,829**	1,848,251	2.2%
including: Domestic	**1,046,110**	1,007,897	3.8%
International, Hong Kong, Macau & Taiwan	**843,719**	840,354	0.4%

AERONAUTICAL REVENUES

	2015	2014	Change
	RMB'000	*RMB'000*	
Passenger charges	**1,787,892**	1,701,331	5.1%
Aircraft movement fees and related charges	**1,663,170**	1,575,036	5.6%
Airport fee	**1,142,037**	1,091,456	4.6%
Total aeronautical revenues	**4,593,099**	4,367,823	5.2%

In 2015, the total aeronautical revenues of the Company were RMB4,593,099,000, representing an increase of 5.2% as compared with the previous year. In particular, revenues from passenger charges were RMB1,787,892,000, representing an increase of 5.1% as compared with the previous year, which was mainly benefited from the stable growth in passenger throughput; revenues from aircraft movement fees and related charges were RMB1,663,170,000, representing an increase of 5.6% as compared with the previous year, and outpacing the growth rate of aircraft movements, which was mainly due to the comprehensive promotion by the factors including the growth in aircraft movements, the optimisation of route structures and the higher proportion of large aircrafts; the airport fee revenues of the Company were RMB1,142,037,000, representing an increase of 4.6% as compared with the previous year, the growth of which was basically the same as the growth in passenger throughput.

OVERVIEW OF NON-AERONAUTICAL BUSINESS

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

The adjustment in the concession model of the retail, food and beverage, and advertising business changed the earning sharing pattern between the Company and the professional companies which were responsible for the concession business mentioned above at Beijing Capital Airport *(Note 1)*, and directly affected the non-aeronautical revenues and operating expenses of the Company in the financial statements *(Note 2)*. Meanwhile, the adjustment in concession model has further promoted the optimisation and satisfactory development of the non-aeronautical business of Beijing Capital Airport.

Note 1: The method to recognise the concession revenues changed from charging the higher of the base concession fees or a certain percentage of turnover of the professional companies under the original concession model to directly charge concession fees from independent third party commercial tenants and pay concession management fees to the professional companies.

Note 2: The expenses of "concession management fees" were generated while the concession revenues of the Company increased obviously.

NON-AERONAUTICAL REVENUES

		2015	2014	Change
		RMB'000	*RMB'000*	
Concessions		**2,648,285**	2,153,198	23.0%
including:	Retailing	**1,094,160**	943,311	16.0%
	Advertising	**1,093,209**	817,222	33.8%
	Restaurants and food shops	**185,652**	125,431	48.0%
	Ground handling	**117,207**	111,523	5.1%
	VIP services	**57,155**	71,306	-19.8%
	Air catering	**29,637**	13,429	120.7%
	Others	**71,265**	70,976	0.4%
Rentals		**1,080,250**	944,390	14.4%
Car parking fees		**177,084**	182,580	-3.0%
Others		**11,244**	7,966	41.1%
Total non-aeronautical revenues		**3,916,863**	3,288,134	19.1%

In 2015, the non-aeronautical revenues of the Company were RMB3,916,863,000, representing an increase of 19.1% as compared with the previous year. In 2015, the concession revenues of the Company were RMB2,648,285,000, representing an increase of 23.0% as compared with the previous year, which was mainly due to the substantial increase in concession revenues of retailing, advertising, restaurants and food shops of the Company in accordance with the revenues recognition method in the new concession model of non-aeronautic business. Among which, the concession revenues from retailing were RMB1,094,160,000, representing an increase of 16.0% as compared with the previous year. Apart from the impact of the adjustments in the concession model on the revenue, the recovery in the growth rate of passenger throughput, especially the increase in retailing amount due to the growth in international passenger throughput with high consumption abilities, as well as the effective motivation of the new concession model on commercial tenants and other factors further facilitated the stable increase in concession retailing revenues; the concession revenues from advertising were RMB1,093,209,000, representing an increase of 33.8% as compared with the previous year; the concession revenues from restaurants and food shops were RMB185,652,000, representing an increase of 48.0% as compared with the previous year. Apart from the impact of adjustments in the concession model on the revenue, the increase in passenger throughput and passenger consumption abilities, as well as the effective promotion of the new concession model on the marketing development of the restaurants and food shops business, expedited the improvement of the overall revenues in the restaurants and food shops business; the concession revenues from ground handling service were RMB117,207,000, representing an increase of 5.1% as compared with the previous year. The moderate growth was mainly attributable to the increase in business volume; the concession revenues from VIP services were RMB57,155,000, representing a decrease of 19.8% as compared with the previous year, mainly due to the impacts of market environment and policy restrictions on the development of VIP services; the concession revenues from air catering were RMB29,637,000, representing an increase of 120.7% as compared with the previous year, mainly because the Company entered into the Air Catering Concession Agreement with Beijing Air Catering Co. Ltd. and Beijing Airport Inflight Kitchen Ltd. respectively, and the revenues from such services were recognised during the year while the relevant revenues were not recognised in 2014 because no agreement was enter into; other concession revenues were RMB71,265,000, representing an increase of 0.4% as compared with the previous year.

In 2015, the rental revenues of the Company were RMB1,080,250,000, representing an increase of 14.4% as compared with the previous year, mainly due to transfer of certain revenues into rentals after the adjustment in the concession model of retail and food & beverage businesses as well as the increases in the areas of the relevant commercial rental resources and the rental price in the terminals.

In 2015, the car parking service fees of the Company were RMB177,084,000, representing a decrease of 3.0% from the previous year, mainly due to the decrease in long-term car parking volumes with relatively higher unit price, as a result of the rise in the internet-based taxi calling services and valet parking services.

In 2015, the other revenues of the Company were RMB11,244,000, representing an increase of 41.1% from the previous year.

OPERATING EXPENSES

	2015	2014	Change
	RMB'000	*RMB'000*	
Depreciation and amortisation	**1,593,418**	1,453,972	9.6%
Repair and maintenance	**687,285**	741,153	-7.3%
Utilities and power	**616,654**	628,827	-1.9%
Concession management fees	**562,519**	–	–
Aviation safety and security guard costs	**532,888**	488,926	9.0%
Staff costs	**531,004**	517,135	2.7%
Operating contracted services	**277,500**	280,264	-1.0%
Greening and environmental maintenance	**197,888**	202,893	-2.5%
Real estate and other taxes	**171,527**	163,129	5.1%
Rental expenses	**112,123**	385,266	-70.9%
General, administrative and other costs	**320,254**	309,906	3.3%
Operating expenses	**5,603,060**	5,171,471	8.3%

In 2015, the operating expenses of the Company were RMB5,603,060,000, representing an increase of 8.3% as compared with the previous year.

In 2015, the depreciation and amortisation expenses of the Company were RMB1,593,418,000, representing an increase of 9.6% as compared with the previous year, mainly due to the additional depreciation and amortisation expenses from the airport-related assets under the Building D of Terminal Three and Ancillary Assets (the "T3D Assets") which was acquired by the Company from the Parent Company since the beginning of 2015.

In 2015, the repair and maintenance expenses of the Company were RMB687,285,000, representing a decrease of 7.3% as compared with the previous year, mainly due to the expenses incurred by the Company in 2014 for special repairs and maintenance of the terminals and no such expenses was incurred for the current year.

In 2015, the utilities and power expenses of the Company were RMB616,654,000, representing a decrease of 1.9% as compared with the previous year.

In 2015, the newly-added concession management fees of the Company were RMB562,519,000, mainly due to the relevant expenses incurred from the concession management services provided by Advertising Company, Commercial and Trading Company and Food Management Company by the Company pursuant to the New Non-aviation Related Contracts.

In 2015, the aviation safety and security guard costs of the Company were RMB532,888,000, representing an increase of 9.0% over the previous year, mainly due to the increase in security personnel and equipment as a result of the growth in the air traffic volumes of the Beijing Capital Airport, the provision for the V-Day Parade and the security upgrade for dealing with international security situation and emergencies in public areas.

In 2015, the staff costs of the Company were RMB531,004,000, representing an increase of 2.7% over the previous year.

In 2015, the operation service expenses of the Company were RMB277,500,000, representing a decrease of 1.0% over the previous year.

In 2015, the greening and environmental maintenance expenses of the Company were RMB197,888,000, representing a decrease of 2.5% from the previous year.

In 2015, the real estate and other taxes of the Company were RMB171,527,000, representing an increase of 5.1% over the previous year.

In 2015, the rental expenses of the Company were RMB112,123,000, representing a decrease of 70.9% from the previous year, mainly because the Company did not need to pay any relevant rental expenses after the acquisition of the T3D Assets from the Parent Company since the beginning of 2015.

In 2015, the general, administrative and other costs of the Company were RMB320,254,000, representing an increase of 3.3% over the previous year.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

In 2015, the other income of the Company was RMB14,742,000, representing an increase of 79.9% as compared with the previous year, which was mainly due to the increase in government subsidies due to additional subsidies provided by the government in support of research and application of the driverless electric train system and green-energy equipment at Beijing Capital Airport.

In 2015, the net finance costs after deducting finance income of the Company were RMB613,965,000, representing an increase of 13.9% 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 US dollars in 2015. (For details please refer to the section headed "Exposure to Fluctuations in Exchange Rates")

In 2015, the income tax expense of the Company was RMB551,041,000, representing an increase of 17.8% as compared with the previous year.

PROFIT FOR THE YEAR

For the financial year ended 31 December 2015, the profit of the Company amounted to RMB1,641,915,000, representing an increase of 18.0% as compared with the previous year.

DIVIDEND

The Board proposed to distribute the final dividend of RMB0.0943 per share for 2015, totally amounting to approximately RMB408,403,000 *(Note)* (2014: RMB353,401,000). Such proposal shall be subject to the approval by the shareholders at the 2015 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 ("Listing Rules").

The Company distributed an interim dividend of RMB0.0573 per share for 2015, totally amounting to approximately RMB248,160,000.

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 2015.

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" (GSH[2008] No. 897) issued by China's State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% when distributing the 2015 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 2015 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, payment of agency 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 2015. 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 2015, the assets and liabilities of the Company denominated in USD included cash and cash equivalents of approximately RMB49,045,000 (2014: RMB92,691,000), trade and other receivables of approximately RMB112,000 (2014: RMB3,485,000), trade and other payables of approximately RMB10,061,000 (2014: RMB5,502,000), and loans from the Parent Company of approximately RMB2,315,831,000 (2014: RMB2,332,736,000). During 2015, the Company recorded a net exchange loss of RMB135,353,000.

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 RMB2,815,831,000, 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 RMB3,870,000,000, and their 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 2015, the Company had no significant contingent liabilities.

LIQUIDITY AND FINANCIAL RESOURCES

In 2015, the Company's net cash generated from operating activities amounted to RMB4,157,283,000, representing an increase of RMB892,603,000 as compared with RMB3,264,680,000 for the year of 2014. In 2015, the Company's net cash outflow from investing activities of the Company amounted to RMB2,405,557,000. In 2015, the Company's net cash outflow from financing activities amounted to RMB1,826,849,000.

As at 31 December 2015, the Company had cash and cash equivalents amounting to the total sum of RMB2,112,869,000; while the cash and cash equivalents of the Company amounted to RMB2,184,273,000 as at 31 December 2014.

As at 31 December 2015, the Company's short-term borrowings were RMB2,000,000,000, the long-term borrowings which would be matured within one year were RMB1,985,000,000, the non-current portion of the long-term borrowings were RMB1,885,000,000 and the loans from the Parent Company were RMB2,815,831,000. As at the date of this announcement, 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 2015, the current ratio of the Company was 0.48, and as at 31 December 2014 the current ratio of the Company was 0.55. Such ratio was 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 2015, the liability-to-asset ratio of the Company was 44.12%, and as at 31 December 2014, the liability-to-asset ratio of the Company was 46.09%. 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 2015, the capital and reserves of the Company was RMB18,268,990,000 and, as at 31 December 2014, the capital and reserves of the Company was RMB17,202,369,000.

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:

	2015	2014
Total employees	**1,641**	1,683

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 labor 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. 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 2015, there were no assets charged or pledged by the Company.

MERGER, ACQUISITION AND DISPOSAL

During the year ended 31 December 2015, apart from the aquisition of T3D Assets from the Parent Company, the Company did not conduct any significant merger, acquisition or disposal.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2015, the Company did not redeem, purchase or sell any of its listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board of the Company confirmed that the Company complied with all the provisions of the Corporate Governance Code (the "Code") under Appendix 14 of the Listing Rules, save for the deviation from provision A.1.1, A.2.1, A.6.7 of the Code due to reasonable grounds (as explained below), during the period from 1 January 2015 to 31 December 2015.

In respect of Code provision A.1.1 of the Code, the Company held three regular Board meetings in 2015 due to schedule of the members of the Board. In 2015, the Company also passed Board resolutions four times by way of circulating written resolutions, so that directors can fully express their opinions. In addition, the directors can maintain effective communictation through other daily communication channels. Such communication (except through the regular meeting) among the directors effectively supplements the regular Board meetings. In 2015, the Board made full discussion on the contributions of the directors to the Company and their duty performance.

In respect of Code provision A.2.1 of the Code, since the general manager (equivalent to "chief executive" under the Listing Rules) of the Company resigned in September 2015, his work and duties have been temporarily taken up by the Chairman (equivalent to "chairman of the Board" under the Listing Rules) of the Company. During the relevant acting period, the Company has expanded the authorizations granted by the Chairman to the management members, extended the scope of the management meeting and increased the frequency of such meeting, so as to avoid the excessive concentration of power of the Chairman when he performs his duties as the Chairman and the acting general manager. At the same time, the Company has been actively looking for suitable candidate to act as the general manager. The new general manager was appointed on 22 March 2016. The details of the appointment is set out in the announcement of the Company dated 22 March 2016.

In respect of Code provision A.6.7 of the Code, the Company held its 2014 AGM on 24 June 2015. Save for Mr. Yao Yabo (a non-executive director) and Mr. Japhet Sebastian Law (an independent non-executive director) were absent from the meeting due to other business commitments, all other members of the Board attended the meeting. Six ordinary matters were considered at the meeting, all of which were smoothly passed at the meeting. After the meeting, the Company dispatched the meeting minutes to all members of the Board to keep the absent directors informed about the proposals resolved during the meeting.

PROSPECTS FOR 2016

In 2016, the global economic landscape is undergoing structural adjustment. As there are still uncertainties in the recovery of world economy, the global economic growth is expected to remain sluggish. Although China's economy will grow at slower pace, there are still foundation and conditions for the continuous steady or even high-speed growth in certain phases, with both of the national economy and civil aviation industry in the transformation period from "rapid growth" to "moderate pace". As the existing operational resources tend to be saturated in recent years, the growth of the air traffic volumes in Beijing Capital Airport saw a trend of decline. Stable growth and structural adjustment will become one of the top priorities of Beijing Capital Airport for a certain period under the new normal status. In 2016, the Company will continue to cope with challenges, adjust approaches and capitalize on opportunities, so as to fully promote the continuous and healthy development of Beijing Capital Airport and the Company.

Preliminary statistics show that for the first two months of 2016, Beijing Capital Airport's aircraft movement has increased by 2.31% as compared with the corresponding period of the previous year, of which domestic routes increased by 0.07% and international and regional routes increased by 10.59% when comparing with corresponding period of the previous year; the growth in passenger throughput increased by 5.43% over the same period of the previous year, of which domestic routes increased by 2.32% and international and regional routes increased by 15.27% over the same period of the previous year. The increase rate of passenger throughput of international and regional routes picked up over the overall situation of 2015, reflecting a relatively obvious increase as compared with the downturn performance and smaller base at the beginning of 2015. However, attention should be paid to the fact that the growth of Beijing Capital Airport's air traffic volume is still under great pressure, which is expected to bring in a mild and steady increase for the whole year.

At present, the traffic volume growth of Beijing Capital Airport is limited by the saturating operational resources. Together with the frequent occurrence of abnormal and special weather and the increasing complexity of the external environment, the operation pressure of the airport continues to increase. Meanwhile, the contradictions between operation resources and operation safety, operation efficiency and service level are increasingly prominent. In 2016, the Company will further deepen the construction of Safety Management System, adjust its business structure and improve operation quality to ensure the persistent security and safety, as well as the efficient operation of Beijing Capital Airport.

2016 heralds the "Thirteenth Five-year Plan" and is also a crucial year for the Company to capitalize on the opportunities under the new normal stage and promote structural adjustment. In such new situation, the Company will perform progressive adjustment and transform the pursuit of the increase of traffic volume into the pursuit of optimization of business structure, upgrading of service quality and high efficiency of resources utilization. The Company will continue to focus on and proactively follow the developmental trends under the new circumstances, persisting in market orientation and driving development by innovation to further improve the developmental quality of Beijing Capital Airport.

In 2016, the Company will continue to reinforce hub construction and devote more efforts in development of international routes. Based on national strategies including "One Belt, One Road" and "Synergetic Development of Beijing, Tianjin and Hebei", it will optimize the structure of route network to increase the proportion of international business, thereby further enhancing the international competitiveness of Beijing Capital Airport.

In 2016, while further tapping development potentials of non-aeronautical businesses and giving full play to advantages of the new non-aeronautical businesses mode in operation and management, the Company will improve the resources layout to increase the value of commercial resources. It will continue to tap commercial potentials, strengthen market development and constantly open up new growth points in respect of non-aeronautical revenues, with a hope to increase income.

In 2016, the Company will continue to be committed to the quality improvement of airport operations and services. With the focus placed on the new development mode of "Smart Airport", it will expand self-service functions and further explore the "Internet Plus" service initiatives. The Company will optimize the service experience by virtue of high technology, thus practically enhancing the service brand influence of Beijing Capital Airport. Moreover, the Company will promote the planning of "Green Airport" on a continuous and proactive basis, further increase the application of green energy and insist on adoption of green technology to build a beautiful and smart airport.

In recent years, Beijing Capital Airport has been facing increasing pressure in operations, as its operational resources tended to be saturated and bottlenecks of resources became more prominent. In 2016, the Company will continue to focus on the planning for resources replenishment before the operation of the new airport. With the emphasis on concentrating and promoting the study and demonstration work in relation to the overall resources replenishment scheme for improving the ability of flight handling and the operating efficiency, the Company will further tap resource potentials, improve operational efficiency and strive for more flight slots resources, so as to guarantee the efficient and sustainable development of Beijing Capital Airport in the future.

According to the official notice issued by the relevant government department at the end of 2015, the policy on charging the Civil Aviation Development Fund will last for the next five years, and the utilisation management of the Civil Aviation Development Fund will also be subject to the existing provisions. The Company expects that it will have no adverse impact on the revenues of the Company.

THE ANNUAL RESULTS ANNOUNCEMENT, 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 2015. 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 2015 containing all the relevant information required by Appendix 16 to the Listing Rules and the Notice of 2015 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, 22 March 2016

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

Executive Directors:	*Mr. Liu Xuesong 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*