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

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

(Stock Code: 00694)

2019 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- In 2019, the aircraft movements of Beijing Capital Airport reached 594,329 sorties, representing a decrease of 3.2% as compared with the previous year. The passenger throughput reached 100,011,438 person-times, representing a decrease of 1.0% as compared with the previous year. The cargo and mail throughput reached 1,955,326 tonnes, representing a decrease of 5.7% as compared with the previous year.

- In 2019, the revenues of the Company from principal operations were RMB10,810,484,000, representing a decrease of 4.0% as compared with the previous year.

- In 2019, the aeronautical revenues of the Company were RMB4,088,745,000, representing a decrease of 23.0% as compared with the previous year.

- In 2019, the non-aeronautical revenues of the Company were RMB6,721,739,000, representing an increase of 12.9% as compared with the previous year.

- In 2019, the operating expenses of the Company were RMB7,349,647,000, representing an increase of 1.7% as compared with the previous year.

- In 2019, the net profit after tax of the Company was RMB2,419,373,000, and the earnings per share was RMB0.55, representing a decrease of 15.8% as compared with the previous year.

- The Board proposed to distribute the final dividend of RMB0.1533 per share for the year ended 31 December 2019, accumulated to an amount of approximately RMB701,988,000.

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 2019, together with the comparative figures of 2018, which have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"), as below:

STATEMENT OF COMPREHENSIVE INCOME

	Note	2019 RMB'000	2018 RMB'000
Revenues			
Aeronautical	4	**4,088,745**	5,309,408
Non-aeronautical	4	**6,721,739**	5,953,104
		10,810,484	11,262,512
Operating expenses			
Depreciation and amortisation		**(1,404,509)**	(1,369,200)
Concession management fees		**(1,236,216)**	(1,079,873)
Repairs and maintenance		**(1,067,769)**	(1,036,451)
Aviation safety and security guard costs		**(760,332)**	(735,066)
Staff costs		**(703,180)**	(701,468)
Utilities and power		**(613,936)**	(657,959)
Operating contracted services		**(563,601)**	(470,058)
Greening and environmental maintenance		**(304,664)**	(246,103)
Real estate and other taxes		**(259,010)**	(256,756)
Rental expenses		**(19,815)**	(308,640)
Other costs		**(416,615)**	(361,818)
	5	**(7,349,647)**	(7,223,392)
Impairment losses on financial assets		**(97,880)**	(679)
Other income		**36,614**	4,184
Operating profit		**3,399,571**	4,042,625
Finance income	6	**27,133**	37,392
Finance costs	6	**(197,371)**	(288,212)
		(170,238)	(250,820)
Gain on disposal of a joint venture		**–**	36,786
Profit before income tax		**3,229,333**	3,828,591
Income tax expense	7	**(809,960)**	(956,536)
Profit for the year		**2,419,373**	2,872,055

	Note	**2019**	2018
		RMB'000	*RMB'000*
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		**13,506**	(21,090)
Other comprehensive income/(loss) for the year, net of tax		**13,506**	(21,090)
Total comprehensive income for the year		**2,432,879**	2,850,965
Earnings per share, basic and diluted *(RMB)*	*8*	**0.55**	0.66

BALANCE SHEET

		As at 31 December	
		2019	2018
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**26,644,577**	26,972,627
Right-of-use assets	*3*	**4,277,275**	—
Land use rights		**—**	3,271,974
Intangible assets		**71,905**	78,276
Deferred income tax assets		**194,993**	190,187
Other non-current assets		**172,570**	52,615
		31,361,320	30,565,679
Current assets			
Inventories		**157,374**	153,589
Trade receivables	*10*	**1,389,094**	1,386,376
Prepayment		**26,487**	12,545
Other financial assets at amortised cost		**50,750**	515,880
Cash and cash equivalents		**1,664,626**	1,806,125
Other current assets		**94,768**	257,915
		3,383,099	4,132,430
Total assets		**34,744,419**	34,698,109
EQUITY			
Capital and reserves			
Share capital	*1*	**4,579,179**	4,330,890
Share premium	*1*	**6,300,867**	5,055,425
Capital reserve	*1, 11*	**204,913**	1,493,731
Other reserve		**(19,649)**	(33,155)
Statutory and discretionary reserves		**6,325,714**	5,627,158
Retained earnings		**7,569,874**	6,939,142
Total equity		**24,960,898**	23,413,191

	Note	As at 31 December 2019 RMB'000	2018 RMB'000
LIABILITIES			
Non-current liabilities			
Loans from the Parent Company	*14*	**1,617,285**	1,758,572
Lease liabilities		**934,103**	—
Retirement benefit obligations		**140,566**	158,541
Deferred income		**41,310**	33,745
		2,733,264	1,950,858
Current liabilities			
Short-term borrowings	*13*	**500,000**	–
Trade and other payables	*12*	**6,104,456**	6,083,138
Current income tax liabilities		**75,343**	95,374
Current portion of long-term borrowings	*13*	**–**	2,980,000
Current portion of loans from the Parent Company	*14*	**170,241**	167,483
Current portion of lease liabilities		**191,998**	—
Current portion of retirement benefit obligations		**8,219**	8,065
		7,050,257	9,334,060
Total liabilities		**9,783,521**	11,284,918
Total equity and liabilities		**34,744,419**	34,698,109

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 2018		4,330,890	5,055,425	1,254,344	(32,098)	4,992,579	5,828,675	21,429,815
Profit for the year		–	–	–	–	–	2,872,055	2,872,055
Other comprehensive loss for the year		–	–	–	(21,090)	–	–	(21,090)
Total comprehensive income for the year		–	–	–	(21,090)	–	2,872,055	2,850,965
Contribution from the Parent Company	*11*	–	–	239,387	–	–	–	239,387
Disposal of a joint venture		–	–	–	20,033	–	(20,033)	–
2017 final dividend		–	–	–	–	–	(660,894)	(660,894)
2018 interim dividend	*9*	–	–	–	–	–	(446,082)	(446,082)
Transfer to statutory and discretionary reserves		–	–	–	–	634,579	(634,579)	–
Balance at 31 December 2018		4,330,890	5,055,425	1,493,731	(33,155)	5,627,158	6,939,142	23,413,191
Balance at 1 January 2019		**4,330,890**	**5,055,425**	**1,493,731**	**(33,155)**	**5,627,158**	**6,939,142**	**23,413,191**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**2,419,373**	**2,419,373**
Other comprehensive income for the year		**–**	**–**	**–**	**13,506**	**–**	**–**	**13,506**
Total comprehensive income for the year		**–**	**–**	**–**	**13,506**	**–**	**2,419,373**	**2,432,879**
Contribution from the Parent Company	*11*	**–**	**–**	**204,913**	**–**	**–**	**–**	**204,913**
New share issuance to Parent Company	*1*	**248,289**	**1,245,442**	**(1,493,731)**	**–**	**–**	**–**	**–**
2018 final dividend	*9*	**–**	**–**	**–**	**–**	**–**	**(702,903)**	**(702,903)**
2019 interim dividend	*9*	**–**	**–**	**–**	**–**	**–**	**(387,182)**	**(387,182)**
Transfer to statutory and discretionary reserves		**–**	**–**	**–**	**–**	**698,556**	**(698,556)**	**–**
Balance at 31 December 2019		**4,579,179**	**6,300,867**	**204,913**	**(19,649)**	**6,325,714**	**7,569,874**	**24,960,898**

1 GENERAL INFORMATION

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

On 30 April 2019 (after trading hours), the Company entered into a share subscription agreement (the "**Subscription Agreement**") with the Parent Company pursuant to which the Company shall allot and issue, and the Parent Company shall subscribe for, through the non-public issuance ("**Non-Public Issuance**") by way of capitalisation of capital reserve (exclusively state-owned), 241,766,690 subscription shares (subject to adjustments) at the issue price of RMB6.1784 per subscription share (subject to adjustments). The Subscription Agreement and the transactions contemplated thereunder and the Non-Public Issuance, among others, were approved at an extraordinary general meeting and a H-Share class meeting of the Company convened on 30 July 2019 and approved by the CAAC in September 2019.

In view of the payment of the final dividend by the Company on 30 August 2019, the issue price for each subscription share has been adjusted from RMB6.1784 to RMB6.0161 and the number of subscription shares has been adjusted from 241,766,690 subscription shares to 248,288,977 subscription shares.

The Non-Public Issuance was completed on 7 November 2019. Follow the completion, the number of the ordinary share increased from 4,330,890,000 to 4,579,178,977. The number of Domestic Shares held by the Parent Company increased from 2,451,526,000 (representing approximately 56.61% of the total issued share capital of the Company immediately before completion of the Non-Public Issuance) to 2,699,814,977 (representing approximately 58.96% of the enlarged total issued share capital of the Company immediately after completion of the Non-Public Issuance).

2 BASIS OF PREPARATION

(a) Compliance with IFRS and HKCO

The financial statements of the Company have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") and requirement of the Hong Kong Companies Ordinance Cap.622.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for defined benefit pension plans – plan assets measured at fair value.

(c) Going concern

As at 31 December 2019, the current liabilities of the Company exceeded the current assets by RMB3,667,158,000 (2018: RMB5,201,630,000). 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;

- Unutilised long-term banking facilities of RMB3 billion.

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 2019 have been prepared on a going concern basis.

(d) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- IFRS 16 Leases

- Prepayment Features with Negative Compensation – Amendments to IFRS 9

- Annual Improvements to IFRS Standards 2015 – 2017 Cycle

- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19

- Interpretation 23 Uncertainty over Income Tax Treatments.

The Company had to change its accounting policies as a result of adopting IFRS 16 Leases. The Company elected to adopt the new rules retrospectively but recognised the cumulative effect of initial applying the new standard on 1 January 2019. Most of the other amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(e) New and amended standards not yet adopted by the Company

Certain new accounting standards and amendments have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Company. These standards and amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements.

The Company has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16 Leases, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.75%-5.69% per annum.

(a) Practical expedients applied

In applying IFRS 16 Leases for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 Lease and IFRIC 4 Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities

	2019
	RMB'000
Operating lease commitments disclosed as at 31 December 2018	1,051,972
Discounted using the lessee's incremental borrowing rate of at the date of initial application	738,937
(Less): short-term leases recognised on a straight-line basis as expense	(24,132)
(Less): low-value leases recognised on a straight-line basis as expense	(14)
Lease liability recognised as at 1 January 2019	714,791
Of which are:	
Current lease liabilities	157,901
Non-current lease liabilities	556,890
	714,791

(c) Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

The recognised right-of-use assets relate to the following types of assets:

	31 December 2019	1 January 2019
	RMB'000	*RMB'000*
Properties	**167,927**	212,449
Equipment	**153,775**	5,058
Vehicles	**31,747**	–
Land use rights		
– Land use rights from the government	**3,188,364**	3,271,974
– Land use rights from the Parent Company	**735,462**	407,285
Total right-of-use assets	**4,277,275**	3,896,766

(d) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by RMB3,896,766,000
- Land use rights – decrease by RMB3,271,974,000
- Trade and other payables – decrease by RMB89,999,000
- Lease liabilities – increase by RMB714,791,000

(e) Lessor accounting

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of IFRS 16 Leases.

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

Analysis of revenues by category	**2019**	2018
	RMB'000	*RMB'000*
Aeronautical:		
Aircraft movement fees and related charges	**2,083,754**	2,109,536
Passenger charges	**2,004,991**	2,027,707
Airport Fee *(note a)*	**–**	1,172,165
	4,088,745	5,309,408
Non-aeronautical:		
Concessions *(note b)*	**5,207,212**	4,455,856
Rentals	**1,330,556**	1,300,476
Car parking fees	**160,533**	169,896
Others	**23,438**	26,876
	6,721,739	5,953,104
Total revenues	**10,810,484**	11,262,512

(a) Airport fee represents Civil Aviation Development Fund (the "**Airport Fee**"). Pursuant to the "Notice of the Ministry of Finance regarding the Abolition of the Policy of Recognition of Refunds from the Civil Aviation Development Fund to Three Listed Airports Including the Capital Airport as Revenues* 《財政部關於取消民航發展基金用於首都機場等三家上市機場返還作企業收入處理政策的通知》", the policy of refunds from the Civil Aviation Development Fund was abolished in November 2018.

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

	2019	2018
	RMB'000	*RMB'000*
Retailing	**3,585,577**	2,774,187
Advertising	**1,154,701**	1,148,177
Restaurants and food shops	**278,812**	271,263
VIP service	**81,061**	104,623
Ground handling	**56,674**	102,001
Other	**50,387**	55,605
	5,207,212	4,455,856

As the Company is domiciled in the PRC from where all of its revenues from external customers for the years ended 31 December 2019 and 2018 are derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2019, approximately 24% and 17% (2018: 19% and 16% of the total revenues of the Company were derived from two (2018: two) single external customers.

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

5 EXPENSES BY NATURE

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

	2019	2018
	RMB'000	*RMB'000*
Depreciation on property, plant and equipment	**1,171,177**	1,296,346
Depreciation of rights-of-use assets	**203,173**	—
Amortisation of land use rights	**—**	42,224
Amortisation of intangible assets	**30,159**	30,630
Loss on disposal of property, plant and equipment	**–**	415
Auditor's remuneration	**4,424**	6,174
Audit services	**4,400**	4,400
Non-audit services	**24**	1,774

6 FINANCE INCOME/(COSTS)

	2019	2018
	RMB'000	*RMB'000*
Finance income		
Interest income on bank deposits	**27,133**	37,392
Finance costs		
Interest for borrowings	**(59,580)**	(126,573)
Interest for loans from the Parent Company	**(54,974)**	(51,606)
Interest for lease liabilities	**(40,958)**	—
Exchange losses, net	**(40,272)**	(108,364)
Bank charges	**(1,587)**	(1,669)
	(197,371)	(288,212)
Net finance costs	**(170,238)**	(250,820)

7 INCOME TAX EXPENSE

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% (2018: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	2019	2018
	RMB'000	*RMB'000*
Current income tax	**819,268**	956,169
Deferred income tax	**(9,308)**	367
	809,960	956,536

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:

	2019	2018
	RMB'000	*RMB'000*
Profit before income tax	**3,229,333**	3,828,591
Tax calculated at a tax rate of 25% (2018: 25%)	**807,333**	957,148
Income not subject to tax	**–**	(3,520)
Expenses not deductible for tax purpose	**2,627**	2,908
Tax charge	**809,960**	956,536

8 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 4,368,303,407 (2018: 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 2019 and 2018.

	2019	2018
Profit for the year *(RMB'000)*	**2,419,373**	2,872,055
Basic earnings per share *(RMB per share)*	**0.55**	0.66

9 DIVIDENDS

	2019	2018
Dividend proposed		
Final dividend *(RMB'000)*	**701,988**	702,903
Final dividend per share *(RMB)*	**0.1533**	0.1623
Interim dividend *(RMB'000)*	**387,182**	446,082
Interim dividend per share *(RMB)*	**0.0894**	0.1030

The final dividend for the year ended 31 December 2019 was proposed at the Board of Directors meeting held on 26 March 2020. Such proposal shall be subject to the approval of the general meeting of the Company. 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 ending 31 December 2020 after the approval of the general meeting.

10 TRADE RECEIVABLES

	2019	2018
	RMB'000	*RMB'000*
Trade receivables		
– CAHC's subsidiaries	**389,299**	416,280
– third parties	**1,336,465**	1,211,745
	1,725,764	1,628,025
Less: provision for impairment	**(336,670)**	(241,649)
	1,389,094	1,386,376

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

	2019	2018
	RMB'000	*RMB'000*
Less than 3 months	**1,066,000**	1,103,106
4 – 6 months	**78,253**	65,206
7 – 12 months	**161,084**	116,067
1 – 2 years	**179,353**	136,191
2 – 3 years	**60,628**	72,901
Over 3 years	**180,446**	134,554
	1,725,764	1,628,025

11 CAPITAL RESERVES

Capital reserve represents equity contributions from CAHC in cash to which CAHC is fully entitled. In accordance with relevant government authorities' regulations, 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 ordinary shares of the Company to be held by CAHC, provided appropriate conditions are met. The conversion is however subject to obtaining prior approval from the relevant government authorities and shareholders.

12 TRADE AND OTHER PAYABLES

	2019	2018
	RMB'000	*RMB'000*
Trade payables		
Amounts due to related parties		
– CAHC	**114,836**	264,885
– CAHC's subsidiaries and associates	**881,655**	1,148,910
	996,491	1,413,795
Repairs and maintenance charges payable	**526,807**	454,328
Sub-contracting charges payable	**145,834**	94,552
Greening and environmental maintenance charges payable	**96,281**	51,799
Accounts payable for purchases	**61,754**	101,221
Other	**250,111**	220,725
	2,077,278	2,336,420
Advance and other payables		
Amounts due to related parties		
– CAHC	**48,784**	81,498
– CAHC's subsidiaries and associates	**61,222**	57,998
	110,006	139,496
Accrued liabilities for the title change of the GTC Assets*	**1,508,693**	1,508,693
Construction payable	**873,933**	682,090
Payroll and welfare payable	**485,374**	404,791
Deed taxes in respect of the acquisition of the Phase III Assets**, the Building D of Terminal Three and Ancillary Assets and the GTC Assets	**465,948**	465,948
Deposits received	**296,149**	183,585
Advance from customers	**183,153**	187,588
Receipts on behalf of concession operators	**60,183**	138,804
Other tax payable	**22,468**	13,549
Other	**21,271**	22,174
	4,027,178	3,746,718
	6,104,456	6,083,138

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

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

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

	2019	2018
	RMB'000	*RMB'000*
Less than 3 months	**913,425**	1,620,881
4 – 6 months	**203,373**	289,192
7 – 12 months	**491,490**	96,222
Over 12 months	**468,990**	330,125
	2,077,278	2,336,420

13 BORROWINGS

	2019	2018
	RMB'000	*RMB'000*
Short-term	**500,000**	–
Long-term		
– current portion	**–**	2,980,000
	500,000	2,980,000

The movement in borrowings is analysed as follows:

	2019	2018
	RMB'000	*RMB'000*
Opening amount as at 1 January	**2,980,000**	2,990,000
Proceeds of new borrowings	**1,980,000**	–
Repayments of borrowings	**(4,460,000)**	(10,000)
Closing amount as at 31 December	**500,000**	2,980,000

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 long-term borrowings which were previously obtained by the Parent Company with same terms from European Investment Bank. The borrowings were not reassigned into the name of the Company.

	2019	2018
	RMB'000	*RMB'000*
Loans from the Parent Company	**1,787,526**	1,926,055
Less: current portion	**(170,241)**	(167,483)
	1,617,285	1,758,572

	2019	2018
	RMB'000	*RMB'000*
Opening amount as at 1 January	**1,926,055**	2,008,888
Repayments of borrowings	**(170,150)**	(177,736)
Currency translation differences	**31,621**	94,903
Closing amount as at 31 December	**1,787,526**	1,926,055

As at 31 December 2019, the Company's loans from the Parent Company are repayable as follows:

	2019	2018
	RMB'000	*RMB'000*
Within 1 year	**170,241**	167,483
Between 1 and 2 years	**170,241**	167,483
Between 2 and 5 years	**510,723**	502,449
Over 5 years	**936,321**	1,088,640
	1,787,526	1,926,055

This loan is denominated in 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 installments semi-annually commencing on 15 December 2010 with maturity through 15 June 2030.

15 SIGNIFICANT SUBSEQUENT EVENT

Following the outbreak of Coronavirus Disease 2019 (the "**COVID-19 outbreak**") in early 2020, a series of precautionary and control measures have been and continued to be implemented, including postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in factories and offices and encouraged social distancing. The aeronautical industry is also impacted significantly by the COVID-19 outbreak.

Impacted by the COVID-19 outbreak, there was a significant decline in the aeronautical volumes of Beijing Capital Airport in the short term. In addition, according to the requirements of the supporting policies of the relevant authorities, the Company announced that the aircraft movement fees would be decreased by 10% and the aircraft parking fees would be waived from 23 January 2020 until the end of the COVID-19 outbreak. The decline in aeronautical volumes and the discount as well as waiver of charges would resulted in the decrease of the aeronautical business revenue for the Company.

In light of the negative impact on the aeronautical volumes brought upon by the COVID-19 outbreak in the short term, it may affect the new signing and renewal of concession and lease contracts, and thus affect the non-aeronautical revenue in the coming periods. According to the requirement from the relevant authorities, the Company is also conducting study on the fee deduction plan for the non-aeronautical business. The Company will pay close attention to the development of the COVID-19 outbreak and its impact on the non-aeronautical market, and will continue to perform relevant assessments with proactive measures.

Up to the date on which this set of financial statements were authorised for issue, the impacts of the COVID-19 outbreak on the Company's customers' financial positions and the macro-economic conditions as a whole are still uncertain, and the Company is unable to quantify the related financial effects. The Company will pay close attention to the development of the COVID-19 outbreak, perform further assessment of its impact and take relevant measures.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2019, the Company's business performance was under pressure in general. As for the revenues, the income from principal operations was RMB10,810,484,000, representing a decrease of 4.0% over the previous year. In particular, as affected by the abolition of the refund policy of the Civil Aviation Development Fund and the decrease in air traffic volumes, there was a relatively substantial decrease in aeronautical revenues, which amounted to RMB4,088,745,000, representing a decrease of 23.0% from the previous year. As for the non-aeronautical revenues, as driven by the performance of new duty-free business contracts and the increased average purchasing power of passengers, the overall non-aeronautical revenue showed a steady performance, which amounted to RMB6,721,739,000, representing an increase of 12.9% as compared with the previous year. As for the costs, the operating expenses of the Company in 2019 were RMB7,349,647,000, representing an increase of 1.7% over the previous year, due to the effect of the factors including the corresponding increase in management fees driven by the increased non-aeronautical concession revenue and the increased investment in operational services and greening and environmental maintenance, etc.

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

Overview of Aeronautical Business

In 2019, the air traffic volumes of Beijing Capital Airport were put under pressure in general, due to the combined effect of the factors of changes in external conditions, the diversion of Beijing Daxing International Airport ("**Daxing Airport**") and the maintenance of runways and the surrounding environment of Beijing Capital Airport and the support for important events. In 2019, the cumulative aircraft movements in Beijing Capital Airport reached 594,329 sorties, representing a decrease of 3.2% as compared with the previous year. The cumulative passenger throughput reached 100,011,438 person-times, representing a decrease of 1.0% as compared with the previous year. The cumulative cargo and mail throughput reached 1,955,326 tonnes, representing a decrease of 5.7% as compared with the previous year. Detailed information is set out in the table below:

	2019	2018	Change
Aircraft Movements *(unit: sorties)*	**594,329**	614,022	-3.2%
Domestic	**467,130**	485,395	-3.8%
Including: Hong Kong, Macau & Taiwan	**21,396**	22,140	-3.4%
International	**127,199**	128,627	-1.1%
Passenger Throughput *(unit: person-times)*	**100,011,438**	100,983,290	-1.0%
Domestic	**76,101,911**	77,692,591	-2.0%
Including: Hong Kong, Macau & Taiwan	**3,664,815**	4,077,715	-10.1%
International	**23,909,527**	23,290,699	2.7%
Cargo and mail Throughput *(unit: tonnes)*	**1,955,326**	2,074,005	-5.7%
Domestic	**1,050,270**	1,115,538	-5.9%
Including: Hong Kong, Macau & Taiwan	**90,774**	104,429	-13.1%
International	**905,056**	958,467	-5.6%

Aeronautical Revenues

	2019	2018	Change
	RMB'000	*RMB'000*	
Aircraft movement fees and related charges	**2,083,754**	2,109,536	-1.2%
Passenger charges	**2,004,991**	2,027,707	-1.1%
Airport fee	**–**	1,172,165	-100.0%
Total aeronautical revenues	**4,088,745**	5,309,408	-23.0%

In 2019, the total aeronautical revenues of the Company were RMB4,088,745,000, representing a decrease of 23.0% as compared with the previous year. In particular, revenues from aircraft movement fees and related charges were RMB2,083,754,000, representing a decrease of 1.2% as compared with the previous year, which was mainly affected by the decrease in air traffic volumes. Revenues from passenger charges were RMB2,004,991,000, representing a decrease of 1.1% as compared with the previous year, which basically remained consistent with the decline in passenger throughput. No airport fee revenues were recorded for the year, which is due to the abolition of the refund policy of the Civil Aviation Development Fund since 29 November 2018 (pursuant to the "Notice of the Ministry of Finance regarding the Abolition of the Policy of Recognition of Refunds from the Civil Aviation Development Fund to Three Listed Airports Including the Capital Airport as Revenues* (《財政部關於取消民航發展基金用於首都機場等三家上市機場返還作企業收入處理政策的通知》)").

Non-Aeronautical Revenues

	2019	2018	**Change**
	RMB'000	*RMB'000*	
Concessions	**5,207,212**	4,455,856	16.9%
Including: Retailing	**3,585,577**	2,774,187	29.2%
Advertising	**1,154,701**	1,148,177	0.6%
Restaurants and food shops	**278,812**	271,263	2.8%
VIP services	**81,061**	104,623	-22.5%
Ground handling	**56,674**	102,001	-44.4%
Other concessions	**50,387**	55,605	-9.4%
Rentals	**1,330,556**	1,300,476	2.3%
Car parking fees	**160,533**	169,896	-5.5%
Others	**23,438**	26,876	-12.8%
Total non-aeronautical revenues	**6,721,739**	5,953,104	12.9%

In 2019, the total non-aeronautical revenues of the Company were RMB6,721,739,000, representing an increase of 12.9% as compared with the previous year. In 2019, the concession revenues of the Company were RMB5,207,212,000, representing an increase of 16.9% as compared with the previous year. In particular, the revenues from retailing were RMB3,585,577,000, representing an increase of 29.2% as compared with the previous year, which was mainly attributable to the execution of new duty-free business operation contracts since 11 February 2018, resulting in a notable increase in the proportion of revenues from the duty free business of the Company in the first quarter, as well as the growth in international passenger throughput with high consumption abilities and the impetus of promotion in duty-free business for the retailing sales. The revenues from advertising were RMB1,154,701,000, representing an increase of 0.6% as compared with the previous year. The revenues from restaurants and food shops were RMB278,812,000, representing an increase of 2.8% as compared with the previous year, which was mainly due to the combined impetus of improving passengers' consumption power and various comprehensive marketing activities carried out by Beijing Capital Airport. The concession revenues from VIP services were RMB81,061,000, representing a decrease of 22.5% as compared with the previous year, which was mainly due to the decrease of related premise resources allocated for VIP services as affected by factors such as market environment and demands as well as the combined effect of the renovation and upgrade of certain premises resources, leading to a decrease in revenues. The revenues from ground handling service were RMB56,674,000, representing a decrease of 44.4% as compared with the previous year, which was mainly due to the final recognition of the corresponding revenues generated from certain ground handling service concession contracts that were not entered into in previous years but had been agreed upon negotiations in 2018, resulting in a greater base in the same period of the previous year. Other concession revenues were RMB50,387,000, representing a decrease of 9.4% as compared with the previous year.

In 2019, the rental revenues of the Company were RMB1,330,556,000, representing an increase of 2.3% as compared with the previous year, which was mainly due to the impetus of certain additional commercial areas and resources in the terminals.

In 2019, the car-parking fees of the Company were RMB160,533,000, representing a decrease of 5.5% as compared with the previous year, which was mainly due to the adjustment to the charging policy and the decrease in the number of passengers.

In 2019, the other revenues of the Company were RMB23,438,000, representing a decrease of 12.8% as compared with the previous year, which was mainly due to the adjustments to the scope of business of certain contracts upon renewal.

Operating Expenses

	2019	2018	**Change**
	RMB'000	*RMB'000*	
Depreciation and amortisation	**1,404,509**	1,369,200	2.6%
Concession management fees	**1,236,216**	1,079,873	14.5%
Repair and maintenance	**1,067,769**	1,036,451	3.0%
Aviation safety and security guard costs	**760,332**	735,066	3.4%
Staff costs	**703,180**	701,468	0.2%
Utilities and power	**613,936**	657,959	-6.7%
Operating contracted services	**563,601**	470,058	19.9%
Greening and environmental maintenance	**304,664**	246,103	23.8%
Real estate and other taxes	**259,010**	256,756	0.9%
Rental expenses	**19,815**	308,640	-93.6%
General, administrative and other costs	**416,615**	361,818	15.1%
Operating expenses	**7,349,647**	7,223,392	1.7%

In 2019, the operating expenses of the Company were RMB7,349,647,000, representing an increase of 1.7% as compared with the previous year.

In 2019, the depreciation and amortisation expenses of the Company were RMB1,404,509,000, representing an increase of 2.6% as compared with the previous year, which is mainly due to the adoption of new standards for leases in 2019, as a result of which certain operating lease assets were accounted for as right-of-use assets and the corresponding depreciation expenses were accrued.

In 2019, the concession management fees of the Company were RMB1,236,216,000, representing an increase of 14.5% as compared with the previous year, which was mainly due to the growth of the concession revenues from retailing, restaurants and food shops and advertising businesses, resulting in the corresponding increase in the concession management fees, which were charged in proportion to the concession revenues.

In 2019, the repair and maintenance expenses of the Company were RMB1,067,769,000, representing an increase of 3.0% as compared with the previous year, which was mainly due to the additional expenses relating to the maintenance of certain equipment and systems.

In 2019, the aviation safety and security guard costs of the Company were RMB760,332,000, representing an increase of 3.4% as compared with the previous year, which was mainly due to the increase in labour costs, explosion prevention costs and special support costs for important projects as a result of the overall national requirements on safety and security.

In 2019, the staff costs of the Company were RMB703,180,000, representing an increase of 0.2% as compared with the previous year.

In 2019, the utilities and power expenses of the Company were RMB613,936,000, representing a decrease of 6.7% as compared with the previous year, which was mainly due to the one-off adjustment to electricity tariffs after negotiation thereof.

In 2019, the operational services costs of the Company were RMB563,601,000, representing an increase of 19.9% as compared with the previous year, which was mainly due to the addition of certain operational services projects and the additional costs resulting from the rectification work and treatment in relation to the runways and surrounding environment.

In 2019, the greening and environmental maintenance expenses of the Company were RMB304,664,000, representing an increase of 23.8% as compared with the previous year. The corresponding increase in greening and environmental maintenance expenses was mainly due to the increase in the price of certain service contracts as a result of the increase in costs and the expanded scope of services, as well as the enhanced environmental protection measures, the improvement of the service quality and the addition of certain service projects.

In 2019, the real estate and other taxes of the Company were RMB259,010,000, representing an increase of 0.9% as compared with the previous year.

In 2019, the rental expenses of the Company were RMB19,815,000, representing a decrease of 93.6% as compared with the previous year, which, on one hand, was due to the completion of the Company's acquisition of the Ground Traffic Centre (the GTC Assets), resulting in the absence of rental expenses for the GTC Assets during the year; and on the other hand, under the new standards for leases, the Company has recognised the corresponding right-of-use assets during the year, resulting in a decrease in rental expenses.

In 2019, the general, administrative and other costs of the Company were RMB416,615,000, representing an increase of 15.1% as compared with the previous year, which was mainly due to the increased management expenses applied to further improve the Company's brand value, operational benefits and management capability.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

In 2019, the other income of the Company was RMB36,614,000, representing an increase of 775.1% as compared with the previous year, which was mainly due to the increase in government grants in 2019.

In 2019, the exchange rate of US dollar against RMB has increased but the increment was less than that of the previous year, resulting in a decrease in the exchange loss from the Company's liabilities denominated in US dollar. In addition, the average balance of the borrowings in 2019 was lower than that in the previous year. As such, the net finance costs of the Company after the deduction of finance income were RMB170,238,000, representing a decrease of 32.1% as compared with the previous year.

In 2019, the income tax expense of the Company was RMB809,960,000, representing a decrease of 15.3% as compared with the previous year.

PROFIT FOR THE YEAR

For the financial year ended 31 December 2019, the net profit of the Company amounted to RMB2,419,373,000, representing a decrease of 15.8% as compared with the previous year.

DIVIDEND

The Board proposed to distribute the final dividend of RMB0.1533 per share for 2019, totally amounting to approximately RMB701,988,000 (2018: RMB702,903,000). Such proposal shall be subject to the approval by the shareholders at the 2019 annual general meeting ("**AGM**") of the Company. If the proposal is approved at the AGM, the final dividend is expected to be paid on or before 31 August 2020. The details of the payment of the final dividend (including the tax deduction, registration date and book closure period, etc.) will be set out in the notice of AGM or further announcement(s) to be issued by the Company.

The Company has distributed an interim dividend of RMB0.0894 per share for 2019, amounting to approximately RMB387,182,000 in total. The total amount of the final dividend for 2019 proposed to be distributed and the interim dividend for 2019 that has been distributed amounts to approximately 45% of the after-tax profit of the Company for 2019.

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 2019.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

According to the overall plan of the acquisition of the Phase III Assets (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 2019. 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 2019, the assets and liabilities of the Company denominated in USD included cash and cash equivalents of approximately RMB126,088,000 (2018: RMB96,728,000), trade and other receivables of approximately RMB40,000 (2018: RMB224,000), trade and other payables of approximately RMB10,837,000 (2018: RMB10,661,000), and loans from the Parent Company of approximately RMB1,787,526,000 (2018: RMB1,926,055,000). During 2019, the Company recorded a net exchange loss of RMB40,272,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the non-current portion and current portion of the Company's loans from the Parent Company was RMB1,787,526,000, which was the borrowings from the European Investment Bank which was assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4%. The total amount of the Company's short-term borrowings was RMB500,000,000, and its interest rates were referenced to the benchmark interest rates of the National Interbank Funding Centre. As such, any change in LIBOR and interest rates of the National Interbank Funding Centre will affect the interest expenses and financial results of the Company.

CONTINGENT LIABILITIES

As at 31 December 2019, the Company had no significant contingent liabilities.

LIQUIDITY AND FINANCIAL RESOURCES

In 2019, the Company's net cash generated from operating activities amounted to RMB3,911,443,000, representing a decrease of RMB778,805,000 as compared with RMB4,690,248,000 for the year of 2018. In 2019, the Company's net cash outflow from investing activities amounted to RMB265,590,000. In 2019, the Company's net cash outflow from financing activities amounted to RMB3,779,004,000.

As at 31 December 2019, the Company had cash and cash equivalents amounting to the total sum of RMB1,664,626,000; while the cash and cash equivalents of the Company amounted to RMB1,806,125,000 as at 31 December 2018.

As at 31 December 2019, the Company's short-term borrowings were RMB500,000,000 and the loans from the Parent Company were RMB1,787,526,000.

As at 31 December 2019, the current ratio of the Company was 0.48, and as at 31 December 2018, the current ratio of the Company was 0.44. 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 2019, the liability-to-asset ratio of the Company was 28.16%, and as at 31 December 2018, the liability-to-asset ratio of the Company was 32.52%. 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 2019, the capital and reserves of the Company were RMB24,960,898,000 and as at 31 December 2018, the capital and reserves of the Company were RMB23,413,191,000.

EMPLOYEES AND EMPLOYEE WELFARE

1. The number of employees of the Company is set out as follows, together with a comparison with that in the previous year:

	2019	2018
Total number of employees	**1,583**	1,613

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

2. **Employees' basic medical insurance and commercial medical insurance**

Since 1 January 2003, the Company has complied with the regulations of the Beijing Municipal Government for basic medical insurance. 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.

3. **Staff retirement scheme**

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

CHARGE ON ASSETS

During the year ended 31 December 2019, there was no charge or pledge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the year ended 31 December 2019, the Company did not conduct any merger, acquisition or disposal.

MATERIAL SUBSEQUENT EVENT

At the start of 2020, the outbreak of novel coronavirus epidemic (the "**COVID-19 Outbreak**") spread across the globe, which may in turn negatively affect the Company's aeronautical revenues, non-aeronautical revenues and trade receivables to a certain extent, depending on factors such as the duration, prevention and control of the COVID-19 Outbreak and the implementation of various regulatory measures. Currently, the Company has decided to lower the benchmark price of the charging standards for aircraft movement fees by 10%, and exempt the parking fees commencing from 23 January 2020 until the end of the COVID-19 Outbreak. Meanwhile, the Company has begun studying the proposal on exemption and reduction of charges of its non-aeronautical businesses pursuant to the relevant requirements. The Company will continue to closely monitor the development of the COVID-19 Outbreak, make further assessment and estimate the negative impact of the COVID-19 Outbreak on the Company accordingly, and actively adopt relevant responsive measures.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2019, the Company did not redeem, purchase or sell any of its listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board confirmed that the Company complied with all the provisions of the Corporate Governance Code (the "**Code**") under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the period from 1 January 2019 to 31 December 2019, save for the deviation from the Code provision A.6.7 of the Code for reasonable grounds (as explained below).

In respect of Code provision A.6.7 of the Code, the Company held its 2018 annual general meeting ("**AGM**") on 27 June 2019. Save for Mr. Liu Xuesong and Ms. Gao Lijia, being executive directors, Mr. Yao Yabo and Mr. Ma Zheng, being non-executive directors, and Mr. Zhang Jiali, being an independent non-executive director, who were absent from the AGM due to other business commitments, all other members of the Board attended the AGM. The resolutions considered at the AGM included five regular matters and one special matter, and all such resolutions were duly passed at the AGM. After the AGM, the Company despatched the relevant meeting minutes to all members of the Board to keep the absent directors informed about the matters that were resolved at the AGM.

PROSPECTS FOR 2020

Due to the continuous disruptions from trade frictions and geopolitical tensions, the growth rate of the global economy has slowed down in 2019. Currently, in 2020, the COVID-19 Outbreak has brought further impacts to and increased the uncertainties in the global economy that is currently in weak condition. With the international spread of the COVID-19 Outbreak, a new round of significant adjustment has commenced in the global financial market. Meanwhile, although the Chinese economy is suppressed by the COVID-19 Outbreak in the short term, with the COVID-19 Outbreak under effective control in the PRC, the resumption of operation and production of various industries are progressing in an orderly manner with an aim to minimize the impact of the COVID-19 Outbreak on the domestic economy.

With the completion and commencement of operations of Daxing Airport on 25 September 2019, the entire aviation market in Beijing has entered into a new landscape of "one city, two airports", and both Beijing Capital Airport and the Company embarked on a new stage of development. In 2020, as the CAAC further implements the plan for the transfer of flights and operations to Daxing Airport, more flight capacity will be allocated to Daxing Airport gradually, and the production capacity and total traffic volume of Beijing Capital Airport will decrease due to the diversion effect of Daxing Airport. As such, the revenue of the Company will be put under greater pressure than before. In light of this, the Company will fully focus on quality improvement and efficiency enhancement and continue to optimize its business structure by adhering to the concepts and methods of high-quality development, so as to further enhance the quality of the development of Beijing Capital Airport.

As shown by preliminary statistics, for the first two months of 2020, under the impact of the COVID-19 Outbreak, coupled with the effect of transfer of certain flights, Beijing Capital Airport's aircraft movements have decreased by 39.0% as compared with the same period of the previous year, of which domestic routes (including Hong Kong, Macau and Taiwan) decreased by 40.5% and international routes decreased by 33.0% as compared with the same period of the previous year; and its passenger throughput has decreased by 50.0% as compared with the same period of the previous year, of which domestic passenger throughput (including Hong Kong, Macau and Taiwan) decreased by 53.1% and international passenger throughput decreased by 37.7% as compared with the same period of the previous year. The sharp decline of passenger traffic volume of civil aviation due to the COVID-19 Outbreak has brought about demanding challenges to both Beijing Capital Airport and the global civil aviation industry. The Company is confident that, as and when the COVID-19 Outbreak is further controlled, Beijing Capital Airport and the civil aviation industry will be on track to recovery.

In 2020, the Company will continue to strengthen the communication and cooperation with Air China as the main base airline to continuously optimize the structure of route network. It will also further improve the air transit products under the theme of "Transit abroad via Beijing (經首都轉世界)" to promote the expansion of flight routes coverage with a view to increasing its competitiveness as an international hub. The Company will actively develop routes and destinations along the "Belt and Road", and continuously expand the network with its sister airports to foster a larger international cooperation platform, while promoting the optimization of the structure of flight timeslots. The Company will continue to improve the core aviation resources to further consolidate its competitive advantages as a hub, and achieve sustainable effectiveness through structure optimization.

The year of 2020 marks not only the conclusion of the "13th Five-Year Plan", but also the start of the "Rebuilding the National Gateway" (再造國門) initiative of Beijing Capital Airport. The diversion of traffic volumes to Daxing Airport has, on the one hand, put Beijing Capital Airport under pressure of declining passenger throughput and fluctuating operation efficiency, but, on the other hand, has brought a valuable opportunity for resource replenishment and structure optimization. The Company will capitalize on the "window period" brought by the transfer of operations to Daxing Airport to expedite the implementation of a series of capital investment projects, upgrade obsolete facilities, strengthen technology application and enhance its efficiency as a hub. Meanwhile, the Company will further push forward the restructuring of commercial layout, optimize the commercial environment, boost commercial vitality and unleash revenue potential, so as to lay a solid foundation for the high-quality development of Beijing Capital Airport in subsequent periods.

In 2020, the Company will continue to improve its management and governance, actively benchmark with the world's leading airports, and promote the construction of a safe, green, smart, and humanistic airport. The security at Beijing Capital Airport will be safeguarded on a continuous basis by strengthening latent risk management and deepening the fulfilment of safety responsibilities. With a steadfast commitment to winning the blue sky defense battle, the Company will enhance environmental management and improve its energy management policies. The Company will also drive the advancement of technology and innovation by building a personalized and refined intelligent service platform, while at the same time endeavoring to satisfy the travel demand of passengers through the innovation of quality services and the continuous enhancement of service efficiency.

Looking back at 2019, despite the challenges brought by the abolition of the refund policy of the Civil Aviation Development Fund and the diversion of traffic volumes to Daxing Airport, the Company made concerted efforts and it achieved an annual passenger throughput of over 100 million person-times and an annual revenue of over RMB10 billion. The Company would like to express its sincere gratitude to all shareholders for their understanding and trust, as well as to all government departments, airlines and partners at Beijing Capital Airport that have given great support to us. The Company would also like to thank all employees of the Company for their diligent contribution throughout the year. By actively taking up challenges and pressures through structural adjustment, function improvement, network strengthening, and enhancement of quality and efficiency, the Company will solidify the foundation of its own development, promote the development of Beijing Capital Airport with high quality, high efficiency and a high degree of satisfaction in full swing, and strive to create better returns for its shareholders.

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 2019. 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 2019 containing all the relevant information required by Appendix 16 to the Listing Rules and the Notice of 2019 AGM will be despatched to shareholders and will be available on the abovementioned websites in due course.

By order of the Board
Liu Xuesong
Chairman

Beijing, the PRC, 26 March 2020

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

Executive directors:	*Mr. Liu Xuesong, Mr. Han Zhiliang and Ms. Gao Lijia*
Non-executive directors:	*Mr. Gao Shiqing, Mr. Yao Yabo and Mr. Ma Zheng*
Independent Non-executive directors:	*Mr. Japhet Sebastian Law, Mr. Jiang Ruiming, Mr. Liu Guibin and Mr. Zhang Jiali*