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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)

### 2021 ANNUAL RESULTS ANNOUNCEMENT

#### FINANCIAL HIGHLIGHTS

- In 2021, the aircraft movements of Beijing Capital Airport reached 298,176 sorties, representing an increase of approximately 2.3% as compared with the previous year. The passenger throughput reached 32,639,013 person-times, representing a decrease of approximately 5.4% as compared with the previous year. The cargo and mail throughput reached 1,401,313 tonnes, representing an increase of approximately 15.8% as compared with the previous year.
- In 2021, the revenues of the Company from principal operations were RMB3,344,709,000, representing a decrease of approximately 6.8% as compared with the previous year.
- In 2021, the aeronautical revenues of the Company were RMB1,342,969,000, representing an increase of approximately 3.6% as compared with the previous year.
- In 2021, the non-aeronautical revenues of the Company were RMB2,001,740,000, representing a decrease of approximately 12.6% as compared with the previous year.
- In 2021, the operating expenses of the Company were RMB6,046,589,000, representing an increase of approximately 1.3% as compared with the previous year.
- In 2021, the net loss after tax of the Company was RMB2,116,537,000 (the loss per share was RMB0.46), representing an increase of approximately 4.0% as compared with the net loss after tax of RMB2,034,651,000 for the previous year.
- The Board did not propose to distribute the final dividend for the year ended 31 December 2021.

The board of directors (the “**Board**”) of Beijing Capital International Airport Co., Ltd. (the “**Company**”) hereby announces the audited results of the Company for the year ended 31 December 2021, together with the comparative figures of 2020, which have been prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”), as below:

## STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	<b>2021</b> <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>Revenues</b>			
Aeronautical	3	<b>1,342,969</b>	1,296,203
Non-aeronautical	3	<b>2,001,740</b>	2,290,933
		<b><u>3,344,709</u></b>	<u>3,587,136</u>
<b>Operating expenses</b>			
Depreciation and amortisation		<b>(1,572,645)</b>	(1,482,872)
Repairs and maintenance		<b>(1,009,467)</b>	(1,059,083)
Aviation safety and security guard costs		<b>(920,343)</b>	(716,508)
Staff costs		<b>(550,101)</b>	(538,686)
Utilities and power		<b>(546,704)</b>	(587,871)
Operating contracted services		<b>(444,930)</b>	(441,981)
Greening and environmental maintenance		<b>(295,319)</b>	(294,129)
Real estate and other taxes		<b>(235,205)</b>	(250,153)
Concession management fees		<b>(221,231)</b>	(233,014)
Rental expenses		<b>(821)</b>	(6,504)
Other costs		<b>(249,823)</b>	(357,945)
	4	<b><u>(6,046,589)</u></b>	<u>(5,968,746)</u>
Reversal of/(impairment losses) on financial assets		<b>12,085</b>	(105,029)
Other income		<b>14,447</b>	27,076
Other losses		<b>(4,874)</b>	–
Waiver of fee receivables		<b>–</b>	(265,921)
<b>Operating loss</b>		<b><u>(2,680,222)</u></b>	<u>(2,725,484)</u>
Finance income	5	<b>80,829</b>	136,140
Finance costs	5	<b>(221,021)</b>	(120,776)
		<b><u>(140,192)</u></b>	<u>15,364</u>
<b>Loss before income tax</b>		<b><u>(2,820,414)</u></b>	<u>(2,710,120)</u>
Income tax credit	6	<b>703,877</b>	675,469
<b>Loss for the year</b>		<b><u>(2,116,537)</u></b>	<u>(2,034,651)</u>

	<i>Note</i>	<b>2021</b> <b>RMB'000</b>	2020 <b>RMB'000</b>
<b>Other comprehensive (loss)/income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		<u>(349)</u>	<u>23,633</u>
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<u>(349)</u>	<u>23,633</u>
<b>Total comprehensive loss for the year</b>		<u><u>(2,116,886)</u></u>	<u><u>(2,011,018)</u></u>
<b>Loss per share, basic and diluted (RMB)</b>	7	<u><u>(0.46)</u></u>	<u><u>(0.44)</u></u>

## BALANCE SHEET

		As at 31 December	
		2021	2020
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		2,902,097	2,993,767
Property, plant and equipment		24,483,392	25,247,498
Right-of-use assets		2,206,263	2,361,289
Intangible assets		115,205	89,733
Deferred income tax assets		1,564,531	862,585
Other non-current assets		256,393	172,570
		<u>31,527,881</u>	<u>31,727,442</u>
<b>Current assets</b>			
Inventories		218,341	166,477
Trade receivables	8	857,955	871,558
Prepayment		36,361	24,798
Other financial assets at amortised cost		53,938	38,811
Financial assets at fair value through profit or loss		6,866	–
Cash and cash equivalents		2,224,473	2,296,801
Other current assets		221,521	297,029
		<u>3,619,455</u>	<u>3,695,474</u>
<b>Total assets</b>		<u><b>35,147,336</b></u>	<u><b>35,422,916</b></u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital		4,579,179	4,579,179
Share premium		6,300,867	6,300,867
Capital reserve	9	248,715	195,255
Other reserve		3,635	3,984
Statutory and discretionary reserves		6,809,588	6,809,588
Retained earnings		2,232,824	4,349,361
<b>Total equity</b>		<u><b>20,174,808</b></u>	<u><b>22,238,234</b></u>

		<b>As at 31 December</b>	
		<b>2021</b>	2020
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	<i>11</i>	<b>2,788,441</b>	–
Bonds payable	<i>12</i>	<b>1,298,264</b>	1,312,351
Loans from the Parent Company	<i>13</i>	<b>1,166,899</b>	1,353,433
Lease liabilities		<b>677,383</b>	777,941
Retirement benefit obligations		<b>103,762</b>	108,085
Deferred income		<b>31,132</b>	36,117
		<u><b>6,065,881</b></u>	<u>3,587,927</u>
<b>Current liabilities</b>			
Short-term borrowings	<i>11</i>	<b>1,701,132</b>	2,868,909
Trade and other payables	<i>10</i>	<b>6,818,033</b>	6,383,727
Current portion of long-term borrowings	<i>11</i>	<b>3,308</b>	–
Current portion of bonds payable	<i>12</i>	<b>15,236</b>	–
Current portion of loans from the Parent Company	<i>13</i>	<b>155,963</b>	159,227
Current portion of lease liabilities		<b>204,503</b>	176,497
Current portion of retirement benefit obligations		<b>8,472</b>	8,395
		<u><b>8,906,647</b></u>	<u>9,596,755</u>
<b>Total liabilities</b>		<u><b>14,972,528</b></u>	<u>13,184,682</u>
<b>Total equity and liabilities</b>		<u><b>35,147,336</b></u>	<u>35,422,916</u>

## STATEMENT OF CHANGES IN EQUITY

					Statutory and		
	Share capital	Share premium	Capital reserve	Other reserve	discretionary reserves	Retained earnings	Total equity
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2020</b>	4,579,179	6,300,867	204,913	(19,649)	6,325,714	7,569,874	24,960,898
Loss for the year	-	-	-	-	-	(2,034,651)	(2,034,651)
Other comprehensive income for the year	-	-	-	23,633	-	-	23,633
Total comprehensive income/ (loss) for the year	-	-	-	23,633	-	(2,034,651)	(2,011,018)
2019 final dividend	-	-	-	-	-	(701,988)	(701,988)
Transfer to statutory and discretionary reserves	-	-	-	-	483,874	(483,874)	-
Others	-	-	(9,658)	-	-	-	(9,658)
<b>Balance at 31 December 2020</b>	<u>4,579,179</u>	<u>6,300,867</u>	<u>195,255</u>	<u>3,984</u>	<u>6,809,588</u>	<u>4,349,361</u>	<u>22,238,234</u>
<b>Balance at 1 January 2021</b>	<b>4,579,179</b>	<b>6,300,867</b>	<b>195,255</b>	<b>3,984</b>	<b>6,809,588</b>	<b>4,349,361</b>	<b>22,238,234</b>
Loss for the year	-	-	-	-	-	(2,116,537)	(2,116,537)
Other comprehensive loss for the year	-	-	-	(349)	-	-	(349)
Total comprehensive loss for the year	-	-	-	(349)	-	(2,116,537)	(2,116,886)
Cash contribution from the Parent Company	9	-	53,460	-	-	-	53,460
<b>Balance at 31 December 2021</b>	<u>4,579,179</u>	<u>6,300,867</u>	<u>248,715</u>	<u>3,635</u>	<u>6,809,588</u>	<u>2,232,824</u>	<u>20,174,808</u>

## 1 GENERAL INFORMATION

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 Limited Company ("CAH" 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 capital 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.

Considering the continuous impact of the pandemic of Coronavirus Disease 2019 (the COVID-19 pandemic), which has caused uncertainty to the recovery of the international passenger throughput at the Beijing Capital International Airport, the Company will pay close attention to the development of the COVID-19 pandemic, and will perform further assessment of its impact and take relevant measures.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated, and were approved for issue by the Board of Directors on 24 March 2022.

## 2 BASIS OF PREPARATION

### (a) Compliance with IFRS and HKCO

The financial statements of the Company have been prepared in accordance with IFRSs and the disclosure requirements 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 the defined benefit pension plans – plan assets which are measured at fair value.

### (c) Going concern

As at 31 December 2021, the Company reported a net loss of RMB2,116,537,000 (2020: RMB2,034,651,000) and net cash outflow from operating activities of RMB621,485,000 (2020: RMB986,883,000). The current liabilities of the Company exceeded the current assets by RMB5,287,192,000 (2020: RMB5,901,281,000). 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 cash inflow from operating activities;
- Funds to be raised with National Association of Financial Market Institutional Investors; and
- Unutilised banking facilities.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to continue its operations and to repay its debts as and when they fall due. As a result, the financial statements of the Company for the year ended 31 December 2021 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 2021:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(e) New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. The Company has already taken initial actions to assess the impact of these new or revised standards, interpretation and amendments, and will make future assessments of the impact on the future.

### 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 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.

<b>Analysis of revenues by category</b>	<b>2021</b>	<b>2020</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Aeronautical:		
Aircraft movement fees and related charges	<b>821,902</b>	710,771
Passenger charges	<b>521,067</b>	585,432
	<b>1,342,969</b>	1,296,203
Non-aeronautical:		
Concessions ( <i>note a</i> )	<b>951,269</b>	1,299,313
Rentals	<b>861,138</b>	787,273
Resources usage fees ( <i>note b</i> )	<b>165,738</b>	180,565
Car parking fees	<b>4,684</b>	5,524
Others	<b>18,911</b>	18,258
	<b>2,001,740</b>	2,290,933
Total revenues	<b>3,344,709</b>	3,587,136

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Advertising	<b>720,192</b>	853,494
Restaurants and food shops	<b>98,158</b>	165,012
Retailing	<b>55,016</b>	194,944
Car parking fees	<b>40,733</b>	39,903
Others	<b>37,170</b>	45,960
	<b><u>951,269</u></b>	<u>1,299,313</u>

(b) According to the newly signed contracts and purpose of operation and management, part of revenue was classified as resources usage fees in 2021. For comparison purposes, the related revenues for 2020 have been re-classified.

As the Company is domiciled in the PRC from where all of its revenues from external customers for the years ended 31 December 2021 and 2020 are derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2021, approximately 30% and 10% (2020: 24%) of the total revenues were derived from two (2020:one) 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.

#### **4 EXPENSES BY NATURE**

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

	<b>2021</b>	2020
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Depreciation of property, plant and equipment	<b>1,226,376</b>	1,156,176
Depreciation of rights-of-use assets	<b>209,438</b>	202,552
Depreciation of investment properties	<b>91,670</b>	93,036
Amortisation of intangible assets	<b>45,161</b>	31,108
Loss on disposal of property, plant and equipment	<b>454</b>	15,866
Auditor's remuneration	<b>3,450</b>	3,450
– Audit services	<b>3,450</b>	3,450

## 5 FINANCE INCOME/(COSTS)

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Finance income		
Interest income on bank deposits	45,097	27,097
Exchange gains, net	<u>35,732</u>	<u>109,043</u>
	<u>80,829</u>	<u>136,140</u>
Finance costs		
Interest for borrowings	(120,649)	(36,242)
Interest for bonds payable	(49,784)	(15,469)
Interest for lease liabilities	(41,405)	(47,398)
Interest for loans from the Parent Company	(7,987)	(20,241)
Bank charges	<u>(1,196)</u>	<u>(1,426)</u>
	<u>(221,021)</u>	<u>(120,776)</u>
Net finance (costs)/income	<u><u>(140,192)</u></u>	<u><u>15,364</u></u>

## 6 CORPORATE INCOME TAX

The Company is subject to corporate income tax at a rate of 25% (2020: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current income tax	(2,047)	–
Deferred income tax	<u>(701,830)</u>	<u>(675,469)</u>
	<u><u>(703,877)</u></u>	<u><u>(675,469)</u></u>

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Loss before income tax	<u>(2,820,414)</u>	<u>(2,710,120)</u>
Tax calculated at a tax rate of 25% (2020: 25%)	(705,104)	(677,530)
Expenses not deductible for tax purpose	<u>3,274</u>	<u>2,061</u>
Tax credit	<u><u>(701,830)</u></u>	<u><u>(675,469)</u></u>

According to Announcement No.8, 2020 of the Ministry of Finance and the State Administration of Taxation, the limit of carrying forward period of the losses of enterprises in difficult industries severely affected by the COVID-19 pandemic in 2020, including transportation industry, has been extended from 5 years to 8 years.

## 7 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of 4,579,178,977 (2020: 4,579,178,977) ordinary shares in issue during the year.

Diluted loss per share equals basic loss per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2021 and 2020.

	2021	2020
Loss for the year ( <i>RMB'000</i> )	(2,116,537)	(2,034,651)
Basic loss per share ( <i>RMB per share</i> )	<u>(0.46)</u>	<u>(0.44)</u>

## 8 TRADE RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables		
– CAH's subsidiaries	272,095	451,754
– third parties	<u>1,013,610</u>	<u>854,368</u>
	1,285,705	1,306,122
Less: provision for impairment	<u>(427,750)</u>	<u>(434,564)</u>
	<u>857,955</u>	<u>871,558</u>

At 31 December 2021, the ageing analysis of the trade receivables based on invoice date were as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 3 months	448,364	539,772
4 – 6 months	167,516	121,170
7 – 12 months	258,748	126,566
1 – 2 years	111,953	185,671
2 – 3 years	80,121	149,544
Over 3 years	<u>219,003</u>	<u>183,399</u>
	<u>1,285,705</u>	<u>1,306,122</u>

## 9 CAPITAL RESERVE

Capital reserve represents equity contributions from CAH in cash to which CAH 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 CAH, provided appropriate conditions are met. The conversion is however subject to obtaining prior approval from the relevant government authorities and the shareholders of the Company.

## 10 TRADE AND OTHER PAYABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
<b>Current liabilities</b>		
Trade payables		
Amounts due to related parties		
– CAH's subsidiaries	<u>1,556,219</u>	<u>1,195,476</u>
Repairs and maintenance charges payable	579,808	583,980
Accounts payable for purchases	104,087	65,009
Sub-contracting charges payable	57,260	60,779
Greening and environmental maintenance charges payable	54,280	57,762
Others	<u>236,713</u>	<u>276,639</u>
	<u>2,588,367</u>	<u>2,239,645</u>
Advance and other payables		
Amounts due to related parties		
– CAH	130,550	23,122
– CAH's subsidiaries	<u>78,420</u>	<u>93,040</u>
	208,970	116,162
Accrued liabilities for the title change of the GTC Assets*	1,508,693	1,508,693
Construction payable	1,019,409	1,119,084
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
Payroll and welfare payable	374,503	425,256
Advance from customers	313,526	130,624
Deposits received	295,000	285,557
Other tax payable	11,211	9,316
Receipts on behalf of concession operators	9,565	44,119
Others	<u>22,841</u>	<u>39,323</u>
	<u>4,229,666</u>	<u>4,144,082</u>
	<u><u>6,818,033</u></u>	<u><u>6,383,727</u></u>

- \* In 2018, the Company acquired the Ground Traffic Centre and its relevant facilities, the relevant land use right from the Parent Company, which were collectively referred to as the GTC Assets.
- \*\* 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 on which T3 and other related construction are situated (collectively the “Phase III Assets”).

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

As at 31 December 2021, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 3 months	1,211,459	1,185,240
4 – 6 months	294,988	304,369
7 – 12 months	178,829	170,049
Over 12 months	903,091	579,987
	<u>2,588,367</u>	<u>2,239,645</u>

## 11 BORROWINGS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Short-term		
– Principals	1,700,000	2,868,909
– Interest payable within one year	1,132	–
	<u>1,701,132</u>	<u>2,868,909</u>
Long-term		
– Non-current portion	2,788,441	–
– Current portion	400	–
– Interest payable within one year	2,908	–
	<u>2,791,749</u>	<u>–</u>
	<u>4,492,881</u>	<u>2,868,909</u>

The movement in principals of borrowings is analysed as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Opening amount as at 1 January	2,868,909	500,000
Proceeds of new borrowings	4,920,332	2,868,909
Repayments of borrowings	<u>(3,300,400)</u>	<u>(500,000)</u>
Closing amount as at 31 December	<u><b>4,488,841</b></u>	<u><b>2,868,909</b></u>

As at 31 December 2021, the Company's principals of borrowings are repayable as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 1 year	1,700,400	2,868,909
Between 1 and 2 years	400	–
Between 2 and 5 years	<u>2,788,041</u>	<u>–</u>
	<u><b>4,488,841</b></u>	<u><b>2,868,909</b></u>

## 12 BONDS PAYABLE

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Principal amount	1,300,000	1,300,000
Bonds issuance cost	<u>(3,092)</u>	<u>(3,092)</u>
Proceeds received	1,296,908	1,296,908
Interest payable	15,236	15,126
Accumulated amortisation amounts of bonds issuance cost	<u>1,356</u>	<u>317</u>
	1,313,500	1,312,351
Less: current portion	<u>(15,236)</u>	<u>–</u>
Non-current portion	<u><b>1,298,264</b></u>	<u><b>1,312,351</b></u>

On 19 August 2020, the Company has received approval from the National Association of Financial Market Institutional Investors for the registration of medium-term notes in an aggregate amount of no more than RMB6,000,000,000 to be issued in multiple tranches. On 11 September 2020, the Company issued bonds with a principal amount of RMB1,300,000,000 with maturity period of 3 years. The bonds are interest-bearing at 3.74% per annum. The interest is payable annually and the principal amount is repayable in 2023.

### 13 LOANS FROM THE PARENT COMPANY

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

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Loans from the Parent Company		
– Principals	1,322,486	1,512,660
– Interest payable within one year	<u>376</u>	<u>–</u>
	1,322,862	1,512,660
Less: current portion	<u>(155,963)</u>	<u>(159,227)</u>
	<u><b>1,166,899</b></u>	<u><b>1,353,433</b></u>

The movement in principals of loans from the Parent Company is analysed as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Opening amount as at 1 January	1,512,660	1,787,526
Repayments of borrowings	(154,118)	(169,556)
Currency translation differences	<u>(36,056)</u>	<u>(105,310)</u>
Closing amount as at 31 December	<u><b>1,322,486</b></u>	<u><b>1,512,660</b></u>

As at 31 December 2021, the Company's principals of loans from the Parent Company are repayable as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Within 1 year	155,587	159,227
Between 1 and 2 years	155,587	159,227
Between 2 and 5 years	466,761	477,681
Over 5 years	<u>544,551</u>	<u>716,525</u>
	<u><b>1,322,486</b></u>	<u><b>1,512,660</b></u>

This loan is denominated in US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. As at 31 December 2021, the Company yet to complete the replacement of benchmark interest rate. 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

In 2021, the Company's business performance continued to face relatively great challenges. As for the revenues, the revenues from principal operations were RMB3,344,709,000, representing a decrease of approximately 6.8% from the previous year. In particular, benefiting from the relief of domestic COVID-19 outbreak to a certain extent, coupled with the effect of the related policies, the aeronautical revenues recorded a slight increase to RMB1,342,969,000, representing an increase of approximately 3.6% as compared with the previous year. Under the continuous impact of the COVID-19 outbreak on the passenger throughput and commercial resources, the non-aeronautical revenues amounted to RMB2,001,740,000, representing a decrease of approximately 12.6% as compared with the previous year. As for the costs, due to the combined effects of the factors including the increase in aviation safety and security guard costs and the Company's strengthened efforts in cost control, the operating expenses of the Company in 2021 were RMB6,046,589,000, representing an increase of approximately 1.3% from the previous year.

### Overview of Aeronautical Business

In 2021, on the one hand, as the COVID-19 outbreak in China gradually came under control, the air traffic volumes of domestic routes of Beijing Capital Airport rebounded slightly amid fluctuations, but on the other hand, as the overseas pandemic situation remained severe, both aircraft movements and passenger throughput of international routes and Hong Kong, Macau and Taiwan routes remained at a relatively low level under the control of the relevant anti-epidemic policies. Coupled with the large base figure for the first quarter of 2020 due to the limited impact of the COVID-19 outbreak on the international and regional route business during the same period, there was a significant decrease in the aircraft movements and passenger throughput of international routes and Hong Kong, Macau and Taiwan routes in 2021 as compared to the previous year. Moreover, there was a rebound in the cargo and mail throughput due to the increase in demand for cargo transportation. In 2021, the cumulative aircraft movements in Beijing Capital Airport reached 298,176 sorties, representing an increase of approximately 2.3% as compared with the previous year. The cumulative passenger throughput reached 32,639,013 person-times, representing a decrease of approximately 5.4% as compared with the previous year. The cumulative cargo and mail throughput reached 1,401,313 tonnes, representing an increase of approximately 15.8% as compared with the previous year. Detailed information is set out in the table below:

	2021	2020	Change
<b>Aircraft Movements</b> ( <i>unit: sorties</i> )	<b>298,176</b>	291,498	2.3%
Domestic	<b>269,166</b>	254,482 <sup>(Note 1)</sup>	5.8%
Including: Hong Kong, Macau & Taiwan	<b>4,957</b>	5,659 <sup>(Note 1)</sup>	-12.4%
International	<b>29,010</b>	37,016 <sup>(Note 1)</sup>	-21.6%
<b>Passenger Throughput</b> ( <i>unit: person-times</i> )	<b>32,639,013</b>	34,513,827	-5.4%
Domestic	<b>32,452,805</b>	31,978,606 <sup>(Note 1)</sup>	1.5%
Including: Hong Kong, Macau & Taiwan	<b>209,607</b>	358,124	-41.5%
International	<b>186,208</b>	2,535,221 <sup>(Note 1)</sup>	-92.7%
<b>Cargo and Mail Throughput</b> ( <i>unit: tonnes</i> )	<b>1,401,313</b>	1,210,441	15.8%
Domestic	<b>726,760</b>	665,022 <sup>(Note 1)</sup>	9.3%
Including: Hong Kong, Macau & Taiwan	<b>67,278</b>	65,649	2.5%
International	<b>674,553</b>	545,419 <sup>(Note 1)</sup>	23.7%

Note 1: The figures of aircraft movements, passenger throughput and cargo and mail throughput were arrived at after adjustment at the end of 2021.

## Aeronautical Revenues

	2021	2020	Change
	RMB'000	RMB'000	
Aircraft movement fees and related charges	<b>821,902</b>	710,771	15.6%
Passenger charges	<b>521,067</b>	585,432	-11.0%
<b>Total aeronautical revenues</b>	<b>1,342,969</b>	1,296,203	3.6%

In 2021, the total aeronautical revenues of the Company were RMB1,342,969,000, representing an increase of approximately 3.6% as compared with the previous year. In particular, the revenues from aircraft movement fees and related charges were RMB821,902,000, representing an increase of approximately 15.6% as compared with the previous year, which was primarily due to the fact that with the relief of the domestic COVID-19 outbreak during the current period, the domestic aviation market has recovered to a certain extent from the volatility and therefore, the revenues from aircraft movement fees and related charges in respect of domestic routes (excluding Hong Kong, Macau and Taiwan) have rebounded accordingly. Furthermore, benefiting from the Notice of CAAC on Policies Consolidating the Success in Containing the Pandemic and Supporting the Stable Development of the Industry (Min Hang Han [2021] No. 57) (《民航局關於鞏固疫情防控成果支持行業穩定發展有關政策的通知》(民航函[2021]57號)), the parking fee exemption policy of Class 1 and Class 2 airports was no longer implemented with effect from 1 January 2021, resulting in an increase in the parking fee income of Beijing Capital Airport. The revenues from passenger charges were RMB521,067,000, representing a decrease of approximately 11.0% as compared with the previous year, which was mainly attributable to the decrease of passenger throughput of international routes and Hong Kong, Macau and Taiwan routes.

## Non-Aeronautical Revenues

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	Change
Concessions	<b>951,269</b>	1,299,313 <sup>(Note 2)</sup>	-26.8%
Including: Advertising	<b>720,192</b>	853,494	-15.6%
Restaurants and food shops	<b>98,158</b>	165,012	-40.5%
Retailing	<b>55,016</b>	194,944	-71.8%
Car Parking	<b>40,733</b>	39,903	2.1%
Other concessions	<b>37,170</b>	45,960 <sup>(Note 2)</sup>	-19.1%
Rentals	<b>861,138</b>	787,273 <sup>(Note 2)</sup>	9.4%
Resources usage fees	<b>165,738</b>	180,565 <sup>(Note 2)</sup>	-8.2%
Car parking fees	<b>4,684</b>	5,524	-15.2%
Others	<b>18,911</b>	18,258	3.6%
<b>Non-aeronautical revenues</b>	<b><u>2,001,740</u></b>	<b><u>2,290,933</u></b>	<b><u>-12.6%</u></b>

*Note 2:* The figures of concessions, other concessions and rentals were different from those set out in the 2020 annual report due to the reclassification adjustment of a portion of the revenues as revenues from resources usage fees.

In 2021, the non-aeronautical revenues of the Company were RMB2,001,740,000, representing a decrease of approximately 12.6% as compared with the previous year. In 2021, the concession revenues of the Company were RMB951,269,000, representing a decrease of approximately 26.8% as compared with the previous year. Among these, the revenues from advertising were RMB720,192,000, representing a decrease of approximately 15.6% as compared with the previous year. This was, on the one hand, attributable to the adjustments to the procedures of the airport due to the impacts of the COVID-19 outbreak and the preparation work for the security of operation of the Beijing Winter Olympics, as a result of which the related revenues were waived pursuant to the terms of the relevant agreements. On the other hand, it was attributable to the combined effects of the reduction in price of certain newly signed agreements as well as the fact that the spare advertising resources had not yet attracted investment as a result of the COVID-19 outbreak. The revenues from restaurants and food shops were RMB98,158,000, representing a decrease of approximately 40.5% as compared with the previous year, which was due to, on the one hand, the larger base figure for the revenues from restaurants and food shops for January 2020 given that the impact of the COVID-19 outbreak was limited in that month, and on the other hand, the combined effects of the closure of Terminal One for renovation, and the expiry of contracts with certain restaurant tenants which were not renewed, resulting in a corresponding decrease in the revenues from restaurants and food shops. The revenues from retailing were RMB55,016,000, representing a decrease of approximately 71.8% as compared with the previous year, which was mainly attributable to the significant decrease in international passenger throughput and thus a sharp decline in related revenues under the effects of the COVID-19 outbreak and the transfer and diversion of flights to Daxing Airport, as well as the larger base figure for the revenues from retailing for January 2020 due to the limited impact of the COVID-19 outbreak in that month. The concession revenues from the

car-parking fees were RMB40,733,000, representing an increase of approximately 2.1% as compared with the previous year. The revenues from other concessions were RMB37,170,000, representing a decrease of approximately 19.1% as compared with the previous year, which was mainly because a portion of the revenues was reclassified and adjusted as revenues from resources usage fees.

In 2021, the rental revenues of the Company were RMB861,138,000, representing an increase of approximately 9.4% as compared with the previous year, which was mainly due to the recognition of related revenues for rentals of terminals and departure system services that were agreed between the Company and certain customers.

In 2021, the revenues from resources usage fees of the Company were RMB165,738,000, representing a decrease of approximately 8.2% as compared with the previous year, which was mainly because, pursuant to the terms of the domestic retail resources usage agreement and the food and beverage resources usage agreement, the base figure of guaranteed resources usage fees for 2021 was related to the change in domestic passenger throughput between 2021 and 2019, and the passenger throughput has declined significantly as compared with that in 2019 under the impact of the COVID-19 outbreak, resulting in a decrease in related revenues.

In 2021, the car-parking fees of the Company were RMB4,684,000, representing a decrease of approximately 15.2% as compared with the previous year, which was mainly attributable to the decrease in the demand for parking spaces as affected by the COVID-19 outbreak.

In 2021, other revenues of the Company were RMB18,911,000, representing an increase of approximately 3.6% as compared with the previous year.

## Operating Expenses

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>	Change
Depreciation and amortisation	1,572,645	1,482,872	6.1%
Repair and maintenance	1,009,467	1,059,083	-4.7%
Aviation safety and security guard costs	920,343	716,508	28.4%
Staff costs	550,101	538,686	2.1%
Utilities and power	546,704	587,871	-7.0%
Operating contracted services	444,930	441,981	0.7%
Greening and environmental maintenance	295,319	294,129	0.4%
Real estate and other taxes	235,205	250,153	-6.0%
Concession management fees	221,231	233,014	-5.1%
Rental expenses	821	6,504	-87.4%
General, administrative and other costs	249,823	357,945	-30.2%
<b>Operating expenses</b>	<b><u>6,046,589</u></b>	<b><u>5,968,746</u></b>	<b><u>1.3%</u></b>

In 2021, the operating expenses of the Company were RMB6,046,589,000, representing an increase of approximately 1.3% as compared with the previous year.

In 2021, the depreciation and amortisation expenses of the Company were RMB1,572,645,000, representing an increase of approximately 6.1% as compared with the previous year, which was mainly due to the addition of certain assets, as a result of which corresponding depreciation expenses were accrued during the current period.

In 2021, the repair and maintenance expenses of the Company were RMB1,009,467,000, representing a decrease of approximately 4.7% as compared with the previous year, which was mainly because the Company strengthened its cost control in response to the continuing impact of the COVID-19 outbreak, leading to a decrease in maintenance costs for equipment and system.

In 2021, the aviation safety and security guard costs of the Company were RMB920,343,000, representing an increase of approximately 28.4% as compared with the previous year, which was mainly due to the increase in investments related to, among others, pandemic prevention and control, business adjustments, labor costs and the security for operation of the Beijing Winter Olympics, which led to an increase in aviation safety and security guard costs.

In 2021, the staff costs of the Company were RMB550,101,000, representing an increase of approximately 2.1% as compared with the previous year, which was mainly because, from February 2020 to the end of June 2020, the insurance fees payable in respect of corporate basic pension insurance, unemployment insurance, employment injury insurance and medical insurance had been reduced by 50% pursuant to the requirements under the documents issued by the relevant government authorities. As a result, the base figure for the previous year was relatively small, leading to an increase in staff costs during the current period.

In 2021, the utilities and power expenses of the Company were RMB546,704,000, representing a decrease of approximately 7.0% as compared with the previous year, which was mainly due to the decline in the unit price of certain types of energy and the decrease in the frequency of related energy utilization as a result of the closure of Terminal One and the adjustments to certain regional functions of the GTC.

In 2021, the operating contracted services costs of the Company were RMB444,930,000, representing an increase of approximately 0.7% as compared with the previous year.

In 2021, the greening and environmental maintenance expenses of the Company were RMB295,319,000, representing an increase of approximately 0.4% as compared with the previous year.

In 2021, the real estate and other taxes of the Company were RMB235,205,000, representing a decrease of approximately 6.0% as compared with the previous year, which was mainly because the international passenger throughput declined as a result of the COVID-19 outbreak, leading to a decrease in rentals of commercial premises at the terminals, and resulting in the corresponding decrease in real estate taxes assessable on rentals levied accordingly.

In 2021, the concession management fees of the Company were RMB221,231,000, representing a decrease of approximately 5.1% as compared with the previous year, which was mainly due to the substantial decline in international passenger throughput as affected by the COVID-19 outbreak, which led to a significant decrease in concession revenues from retailing and advertising, and resulted in the corresponding decrease in the concession management fees that were charged in proportion to the concession revenues.

In 2021, the rental expenses of the Company were RMB821,000, representing a decrease of approximately 87.4% as compared with the previous year, which was mainly due to the decrease in utilization rate of certain low-value and short-term leases as affected by the COVID-19 outbreak, and the fact that certain resources under the short-term leases were adjusted as long-term contracts upon expiry and were hence included as right-of-use assets, which led to a corresponding decrease in rental expenses.

In 2021, the general, administrative and other costs of the Company were RMB249,823,000, representing a decrease of approximately 30.2% as compared with the previous year, which was mainly due to the strengthened cost control of the Company and the decrease in expenses related to pandemic prevention and control as a result of the effective control of the COVID-19 outbreak in China.

## **OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME**

In 2021, the other income of the Company was RMB14,447,000, representing a decrease of approximately 46.6% as compared with the previous year, which was mainly due to the larger base figure for the previous year as a result of the receipt of a significant amount of operating subsidies from the government for pandemic prevention and control in 2020.

In 2021, the net financial costs of the Company after netting off the financial income was RMB140,192,000 as compared with the net financial income of RMB15,364,000 in 2020, which was mainly due to the fact that the average balance of the borrowings in 2021 was higher than that in the previous year. In addition, as the decrease in the exchange rate of US dollar against RMB was less than that in the previous year, the exchange gains from the liabilities denominated in US dollar decreased as compared with the previous year.

In 2021, the income tax credit of the Company was RMB703,877,000, representing an increase of approximately 4.2% as compared with the previous year.

## **LOSS FOR THE YEAR**

For the financial year ended 31 December 2021, the net loss for the year of the Company amounted to RMB2,116,537,000, representing an increase of approximately 4.0% as compared with the net loss for the previous year of the Company.

## **DIVIDEND**

In 2021, the Company recorded a loss from operations as affected by the COVID-19 outbreak. The Board did not propose to distribute the final dividend for the year ended 31 December 2021.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

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

According to the overall plan of the acquisition of the Phase III Assets, the Company assumed the US dollar denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 31 December 2021. Therefore, the fluctuation of RMB exchange rate against the US dollar will affect the financial results of the Company.

As at 31 December 2021, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB21,361,000 (2020: RMB23,776,000), trade and other payables of approximately RMB8,188,000 (2020: RMB8,379,000), and loans from the Parent Company of approximately RMB1,322,862,000 (2020: RMB1,512,660,000). During 2021, the Company recorded a net exchange gain of RMB35,732,000.

## **EXPOSURE TO FLUCTUATIONS IN INTEREST RATES**

The total principal amount of the Company's loans from the Parent Company was RMB1,322,486,000, 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 principal amount of the Company's short-term and long-term borrowings were RMB4,488,841,000, and its interest rates were determined with reference to the benchmark interest rates announced by the People's Bank of China. As such, any change in LIBOR and adjustments to the interest rates of the People's Bank of China will affect the interest expenses and results of the Company.

## **CONTINGENT LIABILITIES**

As at 31 December 2021, the Company had no significant contingent liabilities.

## **LIQUIDITY AND FINANCIAL RESOURCES**

In 2021, the Company's net cash used in operating activities amounted to RMB621,485,000, representing a decrease of RMB365,398,000 as compared with RMB986,883,000 for the year of 2020. In 2021, the Company's net cash outflow from investing activities amounted to RMB620,654,000. In 2021, the Company's net cash generated from financing activities amounted to RMB1,170,328,000.

As at 31 December 2021, the Company had cash and cash equivalents amounting to the total sum of RMB2,224,473,000, while the cash and cash equivalents of the Company amounted to RMB2,296,801,000 as at 31 December 2020.

As at 31 December 2021, the principal amount of the Company's short-term and long-term borrowings were RMB4,488,841,000, the principal amount of the loans from the Parent Company were RMB1,322,486,000 and the principal amount of the bonds payable was RMB1,298,264,000.

As at 31 December 2021, the current ratio of the Company was 0.41, while the current ratio of the Company was 0.39 as at 31 December 2020. 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 2021, the gearing ratio of the Company was 42.60%, while the gearing ratio of the Company was 37.22% as at 31 December 2020. 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 2021, the capital and reserves of the Company were RMB20,174,808,000, while the capital and reserves of the Company were RMB22,238,234,000 as at 31 December 2020.

## 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:**

	2021	2020
Total number of employees	<u>1,567</u>	<u>1,556</u>

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 economic development and the increase of labor remuneration could be in line with the increase of labour productivity.

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

Since 1 January 2003, the Company has complied with the regulations of the Beijing Municipal Government for basic medical insurance in Beijing. According to the regulations, the Company pays the basic medical insurance and mutual insurance for large sum medical expenses for its employees at 9% and 1%, respectively, of the average monthly salaries of its employees in the previous year.

In addition, the Company may on a voluntary basis provide supplemental medical insurance benefits to its employees 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 2021, there was no charge or pledge on the assets of the Company.

## **MERGER, ACQUISITION AND DISPOSAL**

During the year ended 31 December 2021, the Company did not conduct any merger, acquisition or disposal.

## **EVENTS OCCURRING AFTER THE REPORTING PERIOD**

From 1 January 2022 to the date of this announcement, save as disclosed in the profit warning announcement of the Company dated 22 February 2022, there was no material event or transaction affecting the Company and which is required to be disclosed by the Company to its shareholders.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 December 2021, the Company did not redeem, purchase or sell any of its listed securities.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Board confirms that the Company has complied with all the code 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”), save for the deviation from code provision A.6.7 (or the new code provision C.1.6) of the Code due to reasonable grounds (as explained below), during the period from 1 January 2021 to 31 December 2021.

In respect of code provision A.6.7 (or the new code provision C.1.6) of the Code, the Company held its 2020 annual general meeting on 23 June 2021. Save for Mr. Gao Shiqing, a non-executive director who was absent from the annual general meeting due to work commitments, all other members of the Board attended the annual general meeting. Five ordinary resolutions were considered at the annual general meeting, all of which were successfully passed. After the annual general meeting, the Company dispatched the relevant meeting minutes to all members of the Board to keep the absent director(s) informed of the proposals resolved during the annual general meeting.

## **PROSPECTS FOR 2022**

In 2021, in view of the ongoing impacts of the COVID-19 pandemic and the accelerating changes that were unseen in a century, the external environment has become increasingly complex, severe and uncertain. As we enter 2022, the spread of the COVID-19 pandemic around the world and the localized resurgence of the cases within the PRC will continue to bring pressure on the “prevention of imported COVID-19 cases and its domestic resurgence”. At the same time, turbulent international situation, geopolitical tensions as well as unprecedented volatility and uncertainties in global politics and economy will create more challenges for the recovery of the world economy and the civil aviation industry.

China has adhered to the general working principle of achieving progress amidst stability. It has maintained a globally leading position in terms of economic growth and pandemic prevention and control, while the positive long-term fundamentals in its domestic economic development have remained unchanged. China's civil aviation industry has established a solid safety and economic foundation for sustainable development, and its fundamentals remain stable, sound and resilient. In support of the national strategy and the industry development plan, Beijing Capital Airport will forge ahead despite various challenges in pandemic prevention, support for major events and the pressure on business operations.

Since January 2022, Beijing Capital Airport has steadily proceeded with the preparation work for the security of the Beijing Winter Olympics and Paralympic Winter Games. Focusing on the goal of “delightful arrival and efficient departure” (好來快走) for the Olympic-related personnel, Beijing Capital Airport continuously optimized the security procedures and enhanced the customs clearance efficiency, while at the same time strengthening its capabilities in risk management and emergency support. The mission of supporting the Beijing Winter Olympics and Paralympic Winter Games has been completed successfully with the highest standard and optimal arrangement. As shown by preliminary statistics, for the first two months of 2022, Beijing Capital Airport's aircraft movements have increased by approximately 2.4% as compared with the previous year, of which domestic routes (including Hong Kong, Macau and Taiwan) have grown by approximately 1.8% and international routes have increased by approximately 7.4% as compared with the previous year. Its passenger throughput has increased by approximately 10.1% as compared with the previous year, of which domestic routes (including Hong Kong, Macau and Taiwan) rose by approximately 9.4% and international routes grew by approximately 97.1% as compared with the previous year.

Since the beginning of the COVID-19 outbreak, China has been taking decisive measures to contain its spread and the domestic aviation market has generally maintained steady growth. Nonetheless, the resumption of transportation and production was interrupted by individual COVID-19 cases and the road to recovery became winding and bumpy. In respect of the international market, as affected by the COVID-19 outbreak and the international environment, the market suffered from continued weak demand and the global civil aviation industry faced uncertainties in the recovery cycle, which put the Company's operating efficiency under great pressure. In view of the latest development, the Company will recognize the complex and extensive challenges and the strategic and viable opportunities that lie ahead. It will coordinate pandemic prevention and safe development to facilitate the recovery of the aviation market, expedite the construction of the aviation hub, continue to enhance the momentum for innovation and the strength in business operation, thereby promoting the high-quality development of Beijing Capital Airport.

In 2022, the Company will continue to uphold the standards of pandemic prevention, as well as the quality of safety and service. The Company will adhere to the mission of pandemic prevention and control constantly through scientific and precise planning, a more advanced emergency response mechanism and a more effective public health system at the airport. The Company will also develop more in-depth system safety concepts and innovate safety management models to strengthen the momentum of safety culture and increase the efficiency of safety management, which will help improve its safety protection and emergency rescue capabilities. By optimizing the service standards and process protocol, the Company will develop a sound service quality system. Focusing on the service brand development, the Company will continue to build a new benchmark of “China's service industry” with sincere services as its core, and provide passengers with safer, quicker and more convenient airport services.

In 2022, the Company will strive to explore potential opportunities to facilitate the development of the aviation hub. In order to meet the needs of rising business volume and improve the margin of safety in operation, it will replenish, optimize, develop and allocate resources in a reasonable and orderly manner, while concentrating on key projects to make up for shortcomings of facilities. At the same time, it will restructure the routes and flights portfolio with innovative aviation products. The Company will also devote extra efforts to marketing, expand route coverage, strengthen transit services and gain competitive advantages in the domestic economic circulation, so as to speed up the recovery of main businesses and the development of the aviation hub through a multi-pronged approach. In line with the philosophy of building a “safe, green, intelligent and humanistic airport”, the Company will pursue high-quality development of an airport that incorporates these four elements.

In 2022, the Company will stay committed to high operation quality and driving business quality and efficiency. The Company’s business mindset will be adjusted to focus more on the concepts of market and innovation, so that it can create more value and profit from the competition. The Company will refine the operation management and further develop non-aeronautical businesses. The coordination and interaction between the operation process and commercial resources will enhance the contribution of value from resources, which will increase the quality and efficiency of the non-aeronautical businesses and boost the vibrancy of commercial operation. Besides, the Company will continue to introduce more popular brands to optimize the product mix. Adopting a higher level of scientific and refined management as the main tool for cost reduction and efficiency improvement, the Company will strive to curb production and operation costs and strengthen its operation capabilities.

Looking back at 2021, Beijing Capital Airport was challenged by various risks stemming from the complex and severe environment at home and abroad, which hindered the recovery of its business volume and put its operation under continued pressure. The Company would like to express its sincere gratitude to all shareholders for their long-term understanding and trust, as well as to various government departments, airlines and partners at Beijing Capital Airport for their tremendous support to the Company. The Company would also like to thank all our employees for their dedication and devotion throughout the year. The outlook ahead is filled not only with hopes and opportunities, but also with pressure and challenges. In its constant pursuit of steady progress, the Company will remain motivated, persistent and relentless to push forward reform and innovation, so as to open a new chapter of the high-quality development of Beijing Capital Airport.

## **THE ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND AGM**

The annual results of the Company have been reviewed by the audit and risk management 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 figures set out in the Company’s financial statements for the year ended 31 December 2021. This announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.bcia.com.cn>).

The annual report for the year ended 31 December 2021 containing all the relevant information required by the Listing Rules and the notice of the 2021 annual general meeting will be despatched to shareholders and will be available on the above-mentioned websites in due course.

By order of the Board  
**Wang Changyi**  
*Chairman*

Beijing, the PRC  
24 March 2022

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

*Executive directors: Mr. Wang Changyi, Mr. Han Zhiliang and Mr. Zhang Guoliang*

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

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