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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)

### 2023 ANNUAL RESULTS ANNOUNCEMENT

#### FINANCIAL HIGHLIGHTS

- In 2023, the aircraft movements of Beijing Capital Airport reached 379,710 sorties, representing an increase of approximately 140.9% as compared with the previous year. The passenger throughput reached 52,879,156 person-times, representing an increase of approximately 316.3% as compared with the previous year. The cargo and mail throughput reached 1,115,908 tonnes, representing an increase of approximately 12.9% as compared with the previous year.
- In 2023, the revenues of the Company from principal operations were RMB4,558,524,000, representing an increase of approximately 104.3% as compared with the previous year.
- In 2023, the aeronautical revenues of the Company were RMB2,096,878,000, representing an increase of approximately 195.0% as compared with the previous year.
- In 2023, the non-aeronautical revenues of the Company were RMB2,461,646,000, representing an increase of approximately 61.9% as compared with the previous year.
- In 2023, the operating expenses of the Company were RMB5,913,009,000, representing an increase of approximately 2.1% as compared with the previous year.
- In 2023, the net loss after tax of the Company was RMB1,696,788,000 (the loss per share was approximately RMB0.37), representing a decrease of approximately 51.9% as compared with the net loss after tax of RMB3,526,635,000 for the previous year.
- The Board did not propose to distribute any final dividend for the year ended 31 December 2023.

The board of directors (the “**Board**”) of Beijing Capital International Airport Company Limited (the “**Company**”) announces the audited results of the Company for the year ended 31 December 2023, together with the comparative figures of 2022, which have been prepared in accordance with the IFRS Accounting Standards (“**IFRS**”), as below:

## STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	<b>2023</b> <b>RMB’000</b>	2022 <b>RMB’000</b>
<b>Revenues</b>			
Aeronautical	3	<b>2,096,878</b>	710,728
Non-aeronautical	3	<b>2,461,646</b>	1,520,220
		<u><b>4,558,524</b></u>	<u>2,230,948</u>
<b>Operating expenses</b>			
Depreciation and amortisation		<b>(1,549,544)</b>	(1,553,463)
Repairs and maintenance		<b>(923,303)</b>	(894,261)
Aviation safety and security guard costs		<b>(905,762)</b>	(919,371)
Staff costs		<b>(561,296)</b>	(530,520)
Utilities and power		<b>(484,271)</b>	(506,526)
Operating contracted services		<b>(441,216)</b>	(426,778)
Concession management fees		<b>(337,850)</b>	(133,743)
Greening and environmental maintenance		<b>(259,729)</b>	(284,981)
Real estate and other taxes		<b>(227,196)</b>	(236,435)
Other costs		<b>(222,842)</b>	(302,666)
	4	<u><b>(5,913,009)</b></u>	<u>(5,788,744)</u>
Impairment losses on financial assets		<b>(56,379)</b>	(105,468)
Impairment losses on inventories		<b>(4,133)</b>	–
Other income		<b>4,201</b>	5,688
Other losses		<b>(1,809)</b>	–
<b>Operating loss</b>		<u><b>(1,412,605)</b></u>	<u>(3,657,576)</u>

		<b>2023</b>	2022
	<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Finance income	5	<b>19,956</b>	22,952
Finance costs	5	<u>(331,289)</u>	<u>(367,511)</u>
		<u>(311,333)</u>	<u>(344,559)</u>
<b>Share of post-tax profit of an associate</b>		<u><b>5,253</b></u>	<u>–</u>
<b>Loss before income tax</b>		<b>(1,718,685)</b>	(4,002,135)
Income tax credit	6	<u>21,897</u>	<u>475,500</u>
<b>Loss for the year</b>		<u><b>(1,696,788)</b></u>	<u>(3,526,635)</u>
<b>Other comprehensive loss</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		<u>(12,815)</u>	<u>(30,492)</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u><b>(12,815)</b></u>	<u>(30,492)</u>
<b>Total comprehensive loss for the year</b>		<u><b>(1,709,603)</b></u>	<u>(3,557,127)</u>
<b>Loss per share, basic and diluted (RMB)</b>	7	<u><b>(0.37)</b></u>	<u>(0.77)</u>

## BALANCE SHEET

		<b>As at 31 December</b>	
		<b>2023</b>	<b>2022</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		2,718,757	2,810,427
Property, plant and equipment		22,418,872	23,451,708
Right-of-use assets		1,943,536	2,028,119
Intangible assets		91,275	113,197
Investment in an associate		45,767	–
Deferred income tax assets		2,076,363	2,050,195
Other non-current assets		279,113	262,352
		<u>29,573,683</u>	<u>30,715,998</u>
<b>Current assets</b>			
Inventories		201,322	218,299
Trade receivables	8	1,266,242	666,898
Prepayments		24,216	5,525
Other financial assets at amortised cost		38,841	38,562
Financial assets at fair value through profit or loss		5,057	6,866
Notes receivable		8,181	58,335
Other current assets		189,991	182,504
Cash and cash equivalents		1,281,806	1,590,413
		<u>3,015,656</u>	<u>2,767,402</u>
<b>Total assets</b>		<u><b>32,589,339</b></u>	<u><b>33,483,400</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	228,440	235,954
Other reserve		(39,672)	(26,857)
Statutory and discretionary reserves		6,809,588	6,809,588
Accumulated losses		(2,990,599)	(1,293,811)
<b>Total equity</b>		<u><b>14,887,803</b></u>	<u><b>16,604,920</b></u>

		<b>As at 31 December</b>	
		<b>2023</b>	<b>2022</b>
	<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>1,995,400</b>	198,641
Bonds payable	<i>12</i>	<b>1,498,600</b>	–
Loans from the Parent Company	<i>13</i>	–	1,104,724
Lease liabilities		<b>527,755</b>	615,236
Retirement benefit obligations		<b>158,087</b>	141,809
Deferred income		<b>26,242</b>	28,530
		<u><b>4,206,084</b></u>	<u>2,088,940</u>
<b>Current liabilities</b>			
Short-term borrowings	<i>11</i>	<b>6,564,715</b>	6,204,173
Trade and other payables	<i>10</i>	<b>6,674,928</b>	6,923,516
Current portion of long-term borrowings	<i>11</i>	<b>4,430</b>	382
Current portion of bonds payable	<i>12</i>	<b>14,462</b>	1,314,539
Current portion of loans from the Parent Company	<i>13</i>	–	173,139
Current portion of lease liabilities		<b>227,734</b>	164,792
Current portion of retirement benefit obligations		<b>9,183</b>	8,999
		<u><b>13,495,452</b></u>	<u>14,789,540</u>
<b>Total liabilities</b>		<u><b>17,701,536</b></u>	<u>16,878,480</u>
<b>Total equity and liabilities</b>		<u><b>32,589,339</b></u>	<u>33,483,400</u>

## STATEMENT OF CHANGES IN EQUITY

		Share capital	Share premium	Capital reserves	Other reserve	Statutory and discretionary reserves	Retained earnings/ (accumulated losses)	Total equity
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Balance at 1 January 2022</b>		4,579,179	6,300,867	248,715	3,635	6,809,588	2,232,824	20,174,808
Loss for the year		-	-	-	-	-	(3,526,635)	(3,526,635)
Other comprehensive loss for the year		-	-	-	(30,492)	-	-	(30,492)
Total comprehensive loss for the year		-	-	-	(30,492)	-	(3,526,635)	(3,557,127)
Others		-	-	(12,761)	-	-	-	(12,761)
<b>Balance at 31 December 2022</b>		<u>4,579,179</u>	<u>6,300,867</u>	<u>235,954</u>	<u>(26,857)</u>	<u>6,809,588</u>	<u>(1,293,811)</u>	<u>16,604,920</u>
<b>Balance at 1 January 2023</b>		4,579,179	6,300,867	235,954	(26,857)	6,809,588	(1,293,811)	16,604,920
Loss for the year		-	-	-	-	-	(1,696,788)	(1,696,788)
Other comprehensive loss for the year		-	-	-	(12,815)	-	-	(12,815)
Total comprehensive loss for the year		-	-	-	(12,815)	-	(1,696,788)	(1,709,603)
Others	9	-	-	(7,514)	-	-	-	(7,514)
<b>Balance at 31 December 2023</b>		<u>4,579,179</u>	<u>6,300,867</u>	<u>228,440</u>	<u>(39,672)</u>	<u>6,809,588</u>	<u>(2,990,599)</u>	<u>14,887,803</u>

## NOTES TO FINANCIAL STATEMENTS

### 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 Co., Ltd. (“**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.

These financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and were approved for issue by the Board on 27 March 2024.

### 2 BASIS OF PREPARATION

#### (i) Compliance with IFRS and the disclosure requirements of HKCO

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“**IFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

#### (ii) Historical cost convention

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

#### (iii) Going concern

During the year ended 31 December 2023, the Company reported a net loss for the year of RMB1,696,788,000 (2022: RMB3,526,635,000) and a net cash outflow from operating activities of RMB575,863,000 (2022: RMB1,501,321,000). As at 31 December 2023, the current liabilities of the Company exceeded the current assets by RMB10,479,796,000 (2022: RMB12,022,138,000). Included in the current liabilities were borrowings and bonds totaling RMB6,583,607,000 repayable within one year from the year end date. On the same date, the Company had cash and cash equivalents of RMB1,281,806,000.

Management has given careful consideration to the future liquidity and performance of the Company and its available sources of financing in assessing whether the Company will have sufficient funds to fulfil its financial obligations and continue as a going concern. As at 31 December 2023, there were sufficient banking facilities available to the Company for its operations and the repayments of the outstanding principals and interests of the aforementioned borrowings and bonds as and when they fall due in the twelve months from the year end date.

Management has prepared a cash flow projection, which covers a period of not less than twelve months from 31 December 2023. The directors of the Company have reviewed the Company's cash flow projection prepared by management and are of the opinion that the Company will have sufficient financial resources, including the above-mentioned banking facilities, to finance its operations and to meet its financial obligations as at and when they fall due within twelve months from 31 December 2023. Accordingly, the Directors of the Company have prepared the financial statements on a going concern basis.

**(iv) New and amended standards adopted by the Company**

The Company has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates – amendments to IAS 8
- Deferred Income Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

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.

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

Certain amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 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 further assessments of the impact in 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 is principally engaged in a single business of operating and managing an airport and provision of related services in the Mainland China. 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, the Board of Directors considers that there is only one operating segment under the requirement of IFRS 8.

<b>Analysis of revenues by category</b>	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Aeronautical:		
Aircraft movement and related income	<b>1,155,603</b>	499,443
Passenger income	<b>941,275</b>	211,285
	<b><u>2,096,878</u></b>	<u>710,728</u>
Non-aeronautical:		
Concession revenue ( <i>note a</i> )	<b>1,399,417</b>	675,551
Rental income	<b>860,352</b>	741,233
Resources usage income	<b>181,875</b>	85,010
Others	<b>20,002</b>	18,426
	<b><u>2,461,646</u></b>	<u>1,520,220</u>
Total revenues	<b><u>4,558,524</u></b>	<u>2,230,948</u>

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

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Advertising	<b>663,572</b>	480,378
Retailing	<b>465,069</b>	81,229
Restaurants and food shops	<b>96,889</b>	42,908
VIP services	<b>85,292</b>	18,322
Car parking	<b>59,178</b>	22,141
Others	<b>29,417</b>	30,573
	<b><u>1,399,417</u></b>	<u>675,551</u>

As the Company is domiciled in the Mainland China from where all of its revenues from external customers for the years ended 31 December 2023 and 2022 were derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2023, approximately 33% (2022: 31%) of the total revenues were derived from one (2022: one) external customer. Other customers did not exceed 10% of the total revenues.

Aeronautical revenues and Non-aeronautical revenues – others are recognised over time by reference to the progress towards complete satisfaction of the respective 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>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Depreciation on property, plant and equipment	<b>1,194,897</b>	1,202,805
Depreciation of rights-of-use assets	<b>219,012</b>	216,716
Depreciation on investment properties	<b>91,670</b>	91,670
Amortisation of intangible assets	<b>43,965</b>	42,272
Loss on disposal of property, plant and equipment	<b>2,002</b>	24,369
Auditor's remunerations		
– Audit services	<b>3,430</b>	3,430

## 5 FINANCE INCOME/(COSTS)

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Finance income		
Interest income on bank deposits	<u>19,956</u>	<u>22,952</u>
Finance costs		
Interest expenses on borrowings	(191,116)	(129,118)
Exchange losses, net	(25,780)	(120,906)
Interest expenses on bonds payable	(48,707)	(49,659)
Interest expenses on lease liabilities	(34,222)	(36,146)
Interest expenses on loans from the Parent Company	(30,941)	(30,526)
Bank charges	<u>(523)</u>	<u>(1,156)</u>
	<u>(331,289)</u>	<u>(367,511)</u>
Net finance costs	<u>(311,333)</u>	<u>(344,559)</u>

## 6 TAXATION

### Corporate income tax

The Company is subject to corporate income tax at a rate of 25% (2022: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Deferred income tax	<u>(21,897)</u>	<u>(475,500)</u>

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

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Loss before income tax	<u>(1,718,685)</u>	<u>(4,002,135)</u>
Tax calculated at a tax rate of 25% (2022: 25%)	<b>(429,671)</b>	(1,000,534)
Deductible tax losses for which no deferred income tax asset was recognised	<b>402,396</b>	521,446
Expenses not deductible for tax purpose	<u>5,378</u>	<u>3,588</u>
Tax credit	<u><b>(21,897)</b></u>	<u>(475,500)</u>

## 7 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to the owners of the Company by the weighted average number of 4,579,178,977 (2022: 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 2023 and 2022.

	<b>2023</b>	2022
Loss for the year ( <i>RMB'000</i> )	<b>(1,696,788)</b>	(3,526,635)
Basic loss per share ( <i>RMB per share</i> )	<u><b>(0.37)</b></u>	<u>(0.77)</u>

The Board did not propose a final dividend for the year ended 31 December 2023.

## 8 TRADE RECEIVABLES

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Trade receivables		
– CAH's subsidiaries	<b>392,760</b>	334,909
– third parties	<u>1,355,120</u>	<u>767,243</u>
	<b>1,747,880</b>	1,102,152
Less: provision for impairment	<u><b>(481,638)</b></u>	<u>(435,254)</u>
	<u><b>1,266,242</b></u>	<u>666,898</u>

As at 31 December 2023, the ageing analysis of the trade receivables based on invoice date were as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Less than 3 months	<b>739,970</b>	326,215
4 – 6 months	<b>230,677</b>	167,590
7 – 12 months	<b>182,462</b>	135,015
1 – 2 years	<b>215,922</b>	178,599
2 – 3 years	<b>111,083</b>	32,947
Over 3 years	<b>267,766</b>	261,786
	<b><u>1,747,880</u></b>	<u>1,102,152</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 the 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 shareholders.

## 10 TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Current liabilities</b>		
Trade payables		
Amounts due to related parties		
– CAH's subsidiaries	<u>2,115,920</u>	<u>2,039,032</u>
Repairs and maintenance charges payable	557,702	579,259
Accounts payable for purchases	137,182	91,038
Operating contracted services payable	67,120	63,008
Greening and environmental maintenance service payables	47,617	98,629
Other	<u>213,201</u>	<u>249,175</u>
	<u>3,138,742</u>	<u>3,120,141</u>
Advance and other payables		
Amounts due to related parties		
– CAH	70,751	31,563
– CAH's subsidiaries	<u>48,046</u>	<u>63,122</u>
	118,797	94,685
Accrued liabilities for the acquisition consideration of the GTC		
Assets ( <i>note (i)</i> )	1,508,693	1,508,693
Construction payable	739,165	828,312
Deed taxes in respect of the acquisition of the Phase III Assets		
( <i>note (ii)</i> ), the T3D Assets ( <i>note (iii)</i> ) and the GTC Assets	465,948	465,948
Payroll and welfare payables	246,146	330,234
Deposits received	243,927	265,189
Advances from customers	162,391	264,736
Receipts on behalf of concession operators	19,284	9,399
Other tax payables	15,139	11,611
Others	<u>16,696</u>	<u>24,568</u>
	<u>3,536,186</u>	<u>3,803,375</u>
	<u><u>6,674,928</u></u>	<u><u>6,923,516</u></u>

- (i) In 2018, the Company acquired the Ground Traffic Center and its relevant facilities, and relevant land use right from the Parent Company, which were collectively referred to as the GTC Assets.
- (ii) 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”).
- (iii) In January 2015, the Company completed the acquisition from CAH of Zone D of T3 and its ancillary assets (the “T3D 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 2023, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Less than 3 months	1,237,030	1,215,505
4 – 6 months	323,412	308,932
7 – 12 months	284,174	333,237
Over 12 months	<u>1,294,127</u>	<u>1,262,467</u>
	<u><b>3,138,743</b></u>	<u><b>3,120,141</b></u>

## 11 BORROWINGS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Short-term		
– Principals	6,560,000	6,200,000
– Interest payable within one year	<u>4,715</u>	<u>4,173</u>
	<u><b>6,564,715</b></u>	<u><b>6,204,173</b></u>
Long-term		
– Non-current portion	1,995,400	198,641
– Current portion	2,800	200
– Interest payable within one year	<u>1,630</u>	<u>182</u>
	<u><b>1,999,830</b></u>	<u><b>199,023</b></u>
	<u><b>8,564,545</b></u>	<u><b>6,403,196</b></u>

The movement in principals of borrowings is analysed as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Opening amount as at 1 January	6,398,841	4,488,841
Proceeds of new borrowings	8,560,000	6,200,000
Repayments of borrowings	<u>(6,400,641)</u>	<u>(4,290,000)</u>
Closing amount as at 31 December	<u><b>8,558,200</b></u>	<u><b>6,398,841</b></u>

As at 31 December 2023, bank borrowings with principals totaling RMB8,258,200,000 (2022: RMB1,500,000,000) are unsecured, repayable by instalments until 2030 and bear an average coupon of 2.49% annually (2022: 2.91% annually).

As at 31 December 2023, other borrowings with principals totaling RMB300,000,000 (2022: RMB4,898,841,000) are unsecured, repayable by instalments until 2024 and bear an average coupon of 2.25% annually (2022: 2.14% annually).

As at 31 December 2023, the Company's principals of borrowings are repayable as follows:

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Within 1 year	<b>6,562,800</b>	6,200,200
Between 1 and 2 years	<b>2,800</b>	198,641
Between 2 and 5 years	<b>1,992,600</b>	–
	<b><u>8,558,200</u></b>	<u>6,398,841</u>

## 12 BONDS PAYABLE

	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Principal amount	<b>1,500,000</b>	1,300,000
Bonds issuance cost	<b>(1,565)</b>	(3,092)
Net proceeds	<b>1,498,435</b>	1,296,908
Interest payable	<b>14,462</b>	15,235
Accumulated amortisation amounts of bonds issuance cost	<b>165</b>	2,396
	<b>1,513,062</b>	1,314,539
Less: current portion	<b>(14,462)</b>	(1,314,539)
Non-current portion	<b><u>1,498,600</u></b>	<u>–</u>

On 31 August 2023, 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 RMB4,000,000,000 to be issued in multiple tranches and super short-term notes in an aggregate amount of no more than RMB4,000,000,000 to be issued in multiple tranches. On 8 September 2023, the Company issued the first tranch of medium-term bonds with a principal amount of RMB1,500,000,000 with a maturity period of 3 years. The bonds are unsecured and interest-bearing at 3.06% per annum. The interest is payable annually and the principal amount is wholly repayable on 8 September 2026.



### 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.

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Loans from the Parent Company		
– Principals	–	1,274,681
– Interest payable within one year	–	3,182
	<u>–</u>	<u>3,182</u>
		1,277,863
Less: current portion	–	(173,139)
	<u>–</u>	<u>(173,139)</u>
	<u>–</u>	<u>1,104,724</u>

The movements in the principal of the loans from the Parent Company is analysed as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Opening amount as at 1 January	<b>1,274,681</b>	1,322,486
Repayments of borrowings	<b>(1,300,639)</b>	(169,785)
Currency translation differences	<b>25,958</b>	121,980
	<u>–</u>	<u>121,980</u>
Closing amount as at 31 December	<u>–</u>	<u>1,274,681</u>

As at 31 December 2023, the Company's principals of loans from the Parent Company are repayable as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	–	169,957
Between 1 and 2 years	–	169,957
Between 2 and 5 years	–	509,871
Over 5 years	–	424,896
	<u>–</u>	<u>424,896</u>
	<u>–</u>	<u>1,274,681</u>

This loan was 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 semi-annual instalments commencing on 15 December 2010 with maturity on 15 June 2030. On 15 June 2023, the Company early repaid the loans from the parent company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

In 2023, the Company's business operation remained under pressure. As for revenues, the revenues from principal operations were RMB4,558,524,000, representing an increase of approximately 104.3% as compared with the previous year. In particular, as the civil aviation industry continued to recover, the aviation business volume of Beijing Capital Airport has resumed growth. The aeronautical revenues amounted to RMB2,096,878,000, representing an increase of approximately 195.0% as compared with the previous year. Benefiting from the gradual recovery of both passenger throughput and commercial resources, the non-aeronautical revenues amounted to RMB2,461,646,000, representing an increase of approximately 61.9% as compared with the previous year. As for costs, due to the combined effects of factors such as the increase in non-aeronautical concession revenue, which led to a corresponding increase in the concession management fees, and the cost reduction and efficiency improvement measures implemented by the Company, the operating expenses of the Company in 2023 were RMB5,913,009,000, representing an increase of approximately 2.1% as compared with the previous year.

### Overview of Aeronautical Business

In 2023, with the recovery of the domestic aviation market, the air traffic volumes of domestic routes (excluding Hong Kong, Macau and Taiwan) of Beijing Capital Airport rebounded steadily. In respect of the air traffic volumes of international routes, international aircraft movements have also recovered gradually by virtue of the continuous relaxation of travel restrictions and the increasing international mobility. Meanwhile, due to the larger base figure of international cargo flights in the previous year, coupled with the decrease in international cargo demand and increase in passenger demand in 2023, the growth in international passenger throughput over the previous year far exceeded that of international aircraft movements. In respect of the air traffic volumes of Hong Kong, Macau and Taiwan routes, both the aircraft movements and passenger throughput of Hong Kong, Macau and Taiwan routes recovered significantly as compared with the previous year, which have similarly benefited from the recovery of the regional routes and passenger demand.

In 2023, the cumulative aircraft movements at Beijing Capital Airport reached 379,710 sorties, representing an increase of approximately 140.9% as compared with the previous year. The cumulative passenger throughput reached 52,879,156 person-times, representing an increase of approximately 316.3% as compared with the previous year. The cumulative cargo and mail throughput reached 1,115,908 tonnes, representing an increase of approximately 12.9% as compared with the previous year. Detailed information is set out in the table below:

	2023	2022	Change
<b>Aircraft Movements</b> ( <i>unit: sorties</i> )	<b>379,710</b>	157,630	140.9%
Domestic	<b>338,137</b>	136,725	147.3%
Including: Hong Kong, Macau & Taiwan	<b>10,451</b>	4,978	109.9%
International	<b>41,573</b>	20,905	98.9%
<b>Passenger Throughput</b> ( <i>unit: person-times</i> )	<b>52,879,156</b>	12,703,342	316.3%
Domestic	<b>46,697,129</b>	12,451,999	275.0%
Including: Hong Kong, Macau & Taiwan	<b>1,499,634</b>	204,363	633.8%
International	<b>6,182,027</b>	251,343	2,359.6%
<b>Cargo and Mail Throughput</b> ( <i>unit: tonnes</i> )	<b>1,115,908</b>	988,675	12.9%
Domestic	<b>654,260</b>	510,193	28.2%
Including: Hong Kong, Macau & Taiwan	<b>72,776</b>	66,987	8.6%
International	<b>461,648</b>	478,482	-3.5%

## Aeronautical Revenues

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	Change
Aircraft movement fees and related income	1,155,603	499,443	131.4%
Passenger service income	<u>941,275</u>	<u>211,285</u>	<u>345.5%</u>
<b>Total aeronautical revenues</b>	<b><u>2,096,878</u></b>	<b><u>710,728</u></b>	<b><u>195.0%</u></b>

In 2023, the total aeronautical revenues of the Company were RMB2,096,878,000, representing an increase of approximately 195.0% as compared with the previous year. In particular, revenues from aircraft movement fees and related income were RMB1,155,603,000, representing an increase of approximately 131.4% as compared with the previous year, which was mainly attributable to the rebound of aircraft movements of Beijing Capital Airport during the current period. However, pursuant to the Notice on Issues Concerning Airport Charges Related to International Passenger Flights (Min Hang Han [2023] No. 297) (《關於國際客運航班機場收費有關問題的通知》(民航函[2023]297號)), the implementation of the 10% upward adjustment policy on charging standards of movement fees for international passenger flights of domestic and foreign airlines at Category I and Category II airports has been suspended from 1 May 2023 to 31 December 2023. As a result of this policy, the extent of increase in revenues from aircraft movement fees and related income of the Company was slightly lower than the extent of increase in aircraft movements. Revenues from passenger service were RMB941,275,000, representing an increase of approximately 345.5% as compared with the previous year, which was mainly attributable to the increase in international passenger throughput along with the gradual recovery of international routes, and the passenger service income of international flights was relatively higher than that of domestic flights, resulting in a higher growth in passenger service income than that in passenger throughput.

## Non-Aeronautical Revenues

	<b>2023</b>	2022	<b>Change</b>
	<i>RMB'000</i>	<i>RMB'000</i>	
Concession revenues	<b>1,399,417</b>	675,551	107.2%
Including: Advertising	<b>663,572</b>	480,378	38.1%
Retailing	<b>465,069</b>	81,229	472.5%
Restaurants and food shops	<b>96,889</b>	42,908	125.8%
VIP services	<b>85,292</b>	18,322	365.5%
Car parking services	<b>59,178</b>	22,141	167.3%
Other concessions	<b>29,417</b>	30,573	-3.8%
Rental income	<b>860,352</b>	741,233	16.1%
Resources usage income	<b>181,875</b>	85,010	113.9%
Others	<b>20,002</b>	18,426	8.6%
<b>Non-aeronautical revenues</b>	<b><u>2,461,646</u></b>	<b><u>1,520,220</u></b>	<b><u>61.9%</u></b>

In 2023, the non-aeronautical revenues of the Company were RMB2,461,646,000, representing an increase of approximately 61.9% as compared with the previous year. In 2023, the concession revenues of the Company were RMB1,399,417,000, representing an increase of approximately 107.2% as compared with the previous year. Among these, the revenues from advertising were RMB663,572,000, representing an increase of approximately 38.1% as compared with the previous year, which was attributable to the increase in revenues as a result of the growth in passenger throughput on the one hand, and a smaller base figure for the same period of the previous year as a result of the operating fees waiver policy for advertising business on the other hand. The revenues from retailing were RMB465,069,000, representing an increase of approximately 472.5% as compared with the previous year, which was mainly due to the smaller base figure of revenues from retailing for the same period of the previous year, coupled with a rebound in the international passenger throughput during the current period, resulting in a corresponding increase in the revenues from retailing for the current period. The revenues from restaurants and food shops were RMB96,889,000, representing an increase of approximately 125.8% as compared with the previous year, which was mainly attributable to the higher revenues from restaurants and food shops resulted from an increase in passenger throughput, coupled with a smaller base figure for the same period of the previous year as a result of the waiver policy. The revenues from VIP services amounted to RMB85,292,000, representing an increase of approximately 365.5% as compared with the previous year, which was mainly due to the fact that the domestic passenger throughput failed to meet the agreed standards under the contract of the Company's newly added frequent travellers' paid membership business since August 2022, which led to a reduction in the operating revenue in that year, while a full-year revenue was recognised according to such contract as a result of the recovery of the domestic passenger throughput in 2023. The concession revenues from car parking services were RMB59,178,000, representing an increase of approximately 167.3% as compared with the previous year, which was mainly due to the increase in passenger throughput, leading to a corresponding increase in revenues from car parking services. The revenues from other concessions were RMB29,417,000, representing a decrease of approximately 3.8% as compared with the previous year.

In 2023, the rental income of the Company was RMB860,352,000, representing an increase of approximately 16.1% as compared with the previous year, which mainly benefited from the increase in Beijing Capital Airport's aircraft movements during the current period, leading to a corresponding increase in rental income.

In 2023, the resources usage income of the Company was RMB181,875,000, representing an increase of approximately 113.9% as compared with the previous year, which was mainly caused by a higher opening rate and larger shop areas of the retail stores and restaurants as Beijing Capital Airport's passenger throughput gradually recovered, resulting in an increase in resources usage income.

In 2023, other revenues of the Company were RMB20,002,000, representing an increase of approximately 8.6% as compared with the previous year.

## Operating Expenses

	<b>2023</b>	2022	<b>Change</b>
	<i>RMB'000</i>	<i>RMB'000</i>	
Depreciation and amortisation	<b>1,549,544</b>	1,553,463	-0.3%
Repair and maintenance	<b>923,303</b>	894,261	3.2%
Aviation safety and security guard costs	<b>905,762</b>	919,371	-1.5%
Staff costs	<b>561,296</b>	530,520	5.8%
Utilities and power	<b>484,271</b>	506,526	-4.4%
Operating contracted services costs	<b>441,216</b>	426,778	3.4%
Concession management fees	<b>337,850</b>	133,743	152.6%
Greening and environmental maintenance costs	<b>259,729</b>	284,981	-8.9%
Real estate tax and other taxes	<b>227,196</b>	236,435	-3.9%
General, administrative and other costs	<b>222,842</b>	302,666	-26.4%
	<hr/>	<hr/>	
Operating expenses	<b><u>5,913,009</u></b>	<b><u>5,788,744</u></b>	<b><u>2.1%</u></b>

In 2023, the operating expenses of the Company were RMB5,913,009,000, representing an increase of approximately 2.1% as compared with the previous year.

In 2023, the depreciation and amortisation expenses of the Company were RMB1,549,544,000, representing a decrease of approximately 0.3% as compared with the previous year.

In 2023, the repair and maintenance expenses of the Company were RMB923,303,000, representing an increase of approximately 3.2% as compared with the previous year, which was mainly due to the increase in the frequency of using certain equipment for production and operations as a result of the increase in business volume, leading to an increase in costs of spare parts for equipment.

In 2023, the aviation safety and security guard costs of the Company were RMB905,762,000, representing a decrease of approximately 1.5% as compared with the previous year, which was mainly attributable to the lifting of pandemic prevention measures such as the policy of “centralised working areas and living areas for the relevant workers” and quarantine measures, and the implementation of cost reduction and efficiency improvement measures by the Company, which resulted in a decrease in aviation safety and security related fees.

In 2023, the staff costs of the Company were RMB561,296,000, representing an increase of approximately 5.8% as compared with the previous year, which was mainly attributable to the restorative growth in labor costs resulting from the improvement in the Company’s operating conditions.

In 2023, the utilities and power expenses of the Company were RMB484,271,000, representing a decrease of approximately 4.4% as compared with the previous year, which was mainly due to refined management and the adjustment to the fee standards, which resulted in the corresponding decline in the relevant expenses.

In 2023, the operating contracted services costs of the Company were RMB441,216,000, representing an increase of approximately 3.4% as compared with the previous year, which was mainly due to the recovery in the number of flights and passenger throughput, resulting in the increase in demand for related operating contracted services in Beijing Capital Airport, and hence the increase in operating contracted services costs.

In 2023, the concession management fees of the Company were RMB337,850,000, representing an increase of approximately 152.6% as compared with the previous year, which was mainly due to the rebound of passenger throughput and hence a corresponding increase in concession revenues from businesses such as advertising, retailing and restaurants and food shops, resulting in the corresponding increase in the concession management fees that were charged in proportion to the concession revenues.

In 2023, the greening and environmental maintenance costs of the Company were RMB259,729,000, representing a decrease of approximately 8.9% as compared with the previous year, mainly because the Company has adopted a series of cost control measures based on the actual demands while ensuring the operation and service quality, leading to the corresponding decrease in the greening and environmental maintenance costs.

In 2023, the real estate tax and other taxes of the Company were RMB227,196,000, representing a decrease of approximately 3.9% as compared with the previous year, mainly because the real estate tax was calculated based on the rentals from commercial properties as well as restaurants and food shops of the previous year, and the rentals from commercial properties as well as restaurants and food shops of the Company in 2022 were lower than that in 2021.



In 2023, the general, administrative and other costs of the Company were RMB222,842,000, representing a decrease of approximately 26.4% as compared with the previous year, which was mainly due to the significant decrease in costs relating to pandemic prevention and control.

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

In 2023, the other income of the Company was RMB4,201,000, representing a decrease of approximately 26.1% as compared with the previous year.

In 2023, the net financial costs of the Company after deduction of the financial income were RMB311,333,000, as compared to the net financial costs of RMB344,559,000 in 2022. On the one hand, there were certain new borrowings during the year, leading to an increase in interest expenses; on the other hand, the rise in exchange rate of US dollar against RMB slowed down in 2023, which has led to a reduction in exchange losses for the borrowings from European Investment Bank denominated in US dollar. After taking into account the fact that the costs of RMB debts were lower than the interest rates of USD loans, the adverse impact of continuous fluctuations in exchange rates on the Company and other factors, the Company has completed the early repayment of all the outstanding borrowings from European Investment Bank on 15 June 2023.

In 2023, the income tax credit of the Company was RMB21,897,000, representing a decrease of approximately 95.4% as compared with the previous year, because no deferred income tax assets had been recognised in respect of deductible tax losses during the year.

## **LOSS FOR THE YEAR**

For the financial year ended 31 December 2023, the net loss for the year of the Company amounted to RMB1,696,788,000, representing a decrease of approximately 51.9% as compared with the net loss for the previous year of the Company.

## **DIVIDEND**

In 2023, as the international routes have not yet been fully recovered, coupled with the impact of transfer and diversion of flights to Beijing Daxing International Airport, the operations of the Company continued to record a loss. The Board did not propose to distribute any final dividend for the year ended 31 December 2023.

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

The Company's businesses are principally denominated in RMB, except for payment of part of the deposits and repayment of the loans from the Parent Company, which were paid in US dollars.

As at 31 December 2023, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB19,030,000 (2022: RMB20,449,000), and trade and other payables of approximately RMB9,096,000 (2022: RMB8,944,000). In 2023, the Company recorded net exchange losses of RMB25,780,000.

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

As at 31 December 2023, the principal amount of the Company's short-term borrowings was RMB6,260,000,000 and the total principal amounts of its long-term borrowings were RMB1,998,200,000. The interest rates of the above borrowings were referenced to the benchmark interest rates of the National Interbank Funding Centre of China.

## **CONTINGENT LIABILITIES**

As at 31 December 2023, the Company had no significant contingent liabilities.

## **LIQUIDITY AND FINANCIAL RESOURCES**

In 2023, the Company's net cash used in operating activities amounted to RMB575,863,000, representing a decrease of RMB925,458,000 as compared with RMB1,501,321,000 for the year of 2022. In 2023, the Company's net cash outflow from investing activities amounted to RMB318,637,000. In 2023, the Company's net cash generated from financing activities amounted to RMB585,562,000.

As at 31 December 2023, the Company had cash and cash equivalents amounting to the total sum of RMB1,281,806,000, while the cash and cash equivalents of the Company amounted to RMB1,590,413,000 as at 31 December 2022.

As at 31 December 2023, the principal amount of the Company's short-term and long-term borrowings was RMB8,558,200,000 and the principal amount of the bonds payable was RMB1,498,600,000.

As at 31 December 2023, the current ratio of the Company was 0.22, while the current ratio of the Company was 0.19 as at 31 December 2022. 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 2023, the gearing ratio of the Company was 54.32%, while the gearing ratio of the Company was 50.41% as at 31 December 2022. 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 2023, the capital and reserves of the Company were RMB14,887,803,000, while the capital and reserves of the Company were RMB16,604,920,000 as at 31 December 2022.

## EMPLOYEES AND EMPLOYEE WELFARE

1. **The number of employees of the Company as at 31 December 2023 is set out as follows, together with a comparison with that in the previous year:**

	2023	2022
Total number of employees	<u>1,542</u>	<u>1,542</u>

The remuneration policy of employees of the Company is determined by the management based on market practice. The Company adopts a position performance-based salary system, which is based on the value of the position with performance appraisal as its core. Such remuneration system takes 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 premium and mutual insurance premium 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 national policies. 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 2023, there was no charge or pledge on the assets of the Company.

## **MERGER, ACQUISITION AND DISPOSAL**

During the year ended 31 December 2023, the Company did not conduct any material merger, acquisition or disposal.

## **SIGNIFICANT INVESTMENTS**

During the year ended 31 December 2023, there were no significant investments held by the Company (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2023).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS, CAPITAL ASSETS AND MATERIAL FINANCING**

The shareholders of the Company approved a financing plan at the extraordinary general meeting convened on 22 December 2022, pursuant to which, among others, the Company's registration and issuance (as and when appropriate) of medium-term notes and super short-term debentures in the PRC, each in an aggregate amount of not more than RMB4 billion, was approved. The Company has made a formal application for the registration and issuance of medium-term notes and super short-term debentures to the National Association of Financial Market Institutional Investors ("NAFMII") on 16 August 2023. The approval for the relevant application has been granted by NAFMII on 31 August 2023. The Company has issued the first tranche of the medium-term notes in an aggregate amount of RMB1.5 billion (the "2023 First Tranche Medium-term Notes") between 6 September 2023 and 7 September 2023. For details of the registration and proposed issuance of medium-term notes and super short-term debentures as well as the issuance of the 2023 First Tranche Medium-term Notes, please refer to the supplemental circular of the Company dated 8 December 2022 and the announcements of the Company dated 22 December 2022, 16 August 2023, 31 August 2023 and 11 September 2023, respectively.

Save as disclosed above, as at 31 December 2023, the Company did not have any other plan in relation to material investments, capital assets or material financing.

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

From 1 January 2024 to the date of this announcement, save as disclosed in the profit warning announcement of the Company dated 1 March 2024, 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 2023, the Company did not purchase, sell or redeem any of its listed securities.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board confirms that the Company has complied with all the code provisions under Part 2 of the Corporate Governance Code (the “Code”) as set out in Appendix C1 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 C.1.6 of the Code due to reasonable grounds (as explained below), during the period from 1 January 2023 to 31 December 2023.

Code provision C.1.6 of the Code stipulates that independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. In respect of the deviation from code provision C.1.6:

- (i) The Company held its 2022 annual general meeting on 20 June 2023. Mr. Gao Shiqing and Mr. Song Kun, being non-executive directors at the time, were absent from the annual general meeting due to other business commitments. 18 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 resolutions passed during the annual general meeting; and
- (ii) The Company held an extraordinary general meeting (the “EGM”) on 28 December 2023. Mr. Jia Jianqing, Mr. Song Kun and Mr. Du Qiang, being non-executive directors, were absent from the EGM due to other business commitments. Seven ordinary resolutions and a special resolution were considered at the EGM, which were successfully passed. After the EGM, the Company dispatched the relevant meeting minutes to all directors of the Board to keep the absent director(s) informed of the resolutions passed during the EGM.

## PROSPECTS FOR 2024

In 2024, as favorable conditions for China’s development will outweigh the unfavorable factors, the basic trend of economic recovery and positive long-term outlook will remain unchanged. China’s civil aviation sector will also enter a new cycle of sustained rapid and healthy development. Against the background of the release of benefits of the national policies, continuous growth of market demand and expected increase of slot capacity, Beijing Capital Airport will maintain a generally positive trend and grasp the opportunities for recovery and development to further boost our confidence in moving towards high-quality development.

Meanwhile, based on the current objective and actual situation of Beijing Capital Airport, the external safety and security environment remains challenging, and the quality of its own operations and hub function have room for improvement, coupled with the fact that the recovery of revenue lags behind that of overall traffic volume due to the relatively slow pace of recovery of international business, therefore the operations and business performance of the Company will still face pressures and challenges. In this regard, the Company will accurately identify the focus of conflicts, set out a clear direction for development, and take proactive actions to promote steady improvement in the operational efficiency of Beijing Capital Airport.

As shown by preliminary statistics, for the first two months of 2024, as compared with the corresponding period of the previous year, Beijing Capital Airport's aircraft movements have increased by approximately 40.8%, of which domestic routes (including Hong Kong, Macau and Taiwan) have grown by approximately 26.4%. In terms of international routes, aircraft movements have increased by approximately 354.6% as compared with the corresponding period of the previous year. As compared with the corresponding period of the previous year, passenger throughput increased by approximately 70.2%, of which domestic routes (including Hong Kong, Macau and Taiwan) increased by approximately 46.7%, and international routes increased by approximately 913.3%.

In 2024, the Company will lay a solid foundation for safety work and enhance operating service quality by adhering to the principle of lean management. The Company will vigorously promote the development of a safety culture and carry out assessment in accordance with the network safety responsibility system to enforce strict accountability for safe production. In addition to its efforts in fully exploring the synergy among various operations, it will further improve the frontal bay rate of flights and enhance the ground operation efficiency of aircraft on a continuous basis. At the same time, the Company will carry out benchmarking study for its services and analyse the service condition regularly with a view to enhancing the standard of its services and products, improving its service shortcomings, and promoting the upgrade of its service quality in a practical manner.

In 2024, the Company will continue to enhance its competitiveness as an international hub with the support of its quality and efficiency enhancement measures. The Company will accelerate the implementation of key development projects, supplement and upgrade hardware facilities, so as to promote the hub construction and development of Beijing Capital Airport by harnessing its technological innovation and management approaches. Besides, it will strive to stimulate the momentum of the international aviation market and press ahead with the recovery of the aviation market in full force by deepening the strategic synergy with local governments and main base airlines, tracking the market performance of express route products on a regular basis, and constantly enriching the "via PEK to the world" international transit products. The Company will also improve the data management standards and system and establish a mechanism for the commercialisation of its technological achievements, thereby empowering the development of a smart airport with the application of data value and technological innovation.

In 2024, with performance enhancement as its goal, the Company will focus on strengthening the momentum for innovation of its business operations. It will continue to promote cost reduction and efficiency improvement, at the same time adopting strict review procedures for new cost items and strengthening its comprehensive budget management, striving to continuously reduce the level of the Company's capital cost, and deeply exploring the potential of cost reduction. The Company will also innovate its commercial business model, dynamically adjust the layout of resources, and carry out joint marketing activities to drive commercial vibrancy and tap potential revenue, which will in turn boost the utilisation efficiency as well as the overall value of commercial resources, strengthen its operational capabilities and accelerate the efficiency enhancement of the enterprise.



In 2024, the Company will continuously adhere to the new development philosophy on all fronts, with an aim of promoting its sustainable development. By strengthening its top-level design and consolidating the cornerstone of sound governance, the Company will focus on enhancing its governance and constantly increasing its competitiveness as a green and low-carbon enterprise, while promoting technological innovation so as to fulfil its social responsibility. In addition, the Company will also incorporate its ESG philosophy into every aspect of its corporate strategic planning and operational management, and make concerted efforts with its stakeholders to safeguard and create long-term values for the Company.

Looking back to 2023, Beijing Capital Airport made great efforts in fostering its post-pandemic recovery and development. The aviation transportation sector was generally on a recovery trend. However, with the domestic business recovering at a faster pace than the international business, the operating efficiency continued to be under pressure. The Company would like to express its heartfelt gratitude to all shareholders for their understanding and trust all along, and extend its sincere appreciation to various governmental departments, airlines and partners at Beijing Capital Airport for their tremendous support to us, as well as to all of our employees for their diligent contribution throughout the year! In the face of the new circumstances and new phase, the Company will uphold the concept of safe development and accelerate the launch of its quality and efficiency enhancement measures, making every effort to promote the high-quality development of Beijing Capital Airport to a new level.

## **AUDITORS**

PricewaterhouseCoopers (“**PwC**”) was appointed as the auditor of the Company for the year ended 31 December 2023. The figures in respect of this results announcement of the Company for the year ended 31 December 2023 have been agreed by PwC, to the amounts set out in the Company’s draft financial statements for the year ended 31 December 2023. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this preliminary results announcement.

## **THE ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND ANNUAL GENERAL MEETING**

The annual results of the Company for the year ended 31 December 2023 have been reviewed by the audit and risk management committee of the Company. This annual results 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 2023 containing the relevant information required by the Listing Rules and the notice of the 2023 annual general meeting of the Company 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  
27 March 2024

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

*Executive directors:* *Mr. Wang Changyi and Mr. Han Zhiliang*

*Non-executive directors:* *Mr. Jia Jianqing, Mr. Song Kun and Mr. Du Qiang*

*Independent non-executive directors:* *Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng and Ms. Duan Donghui*