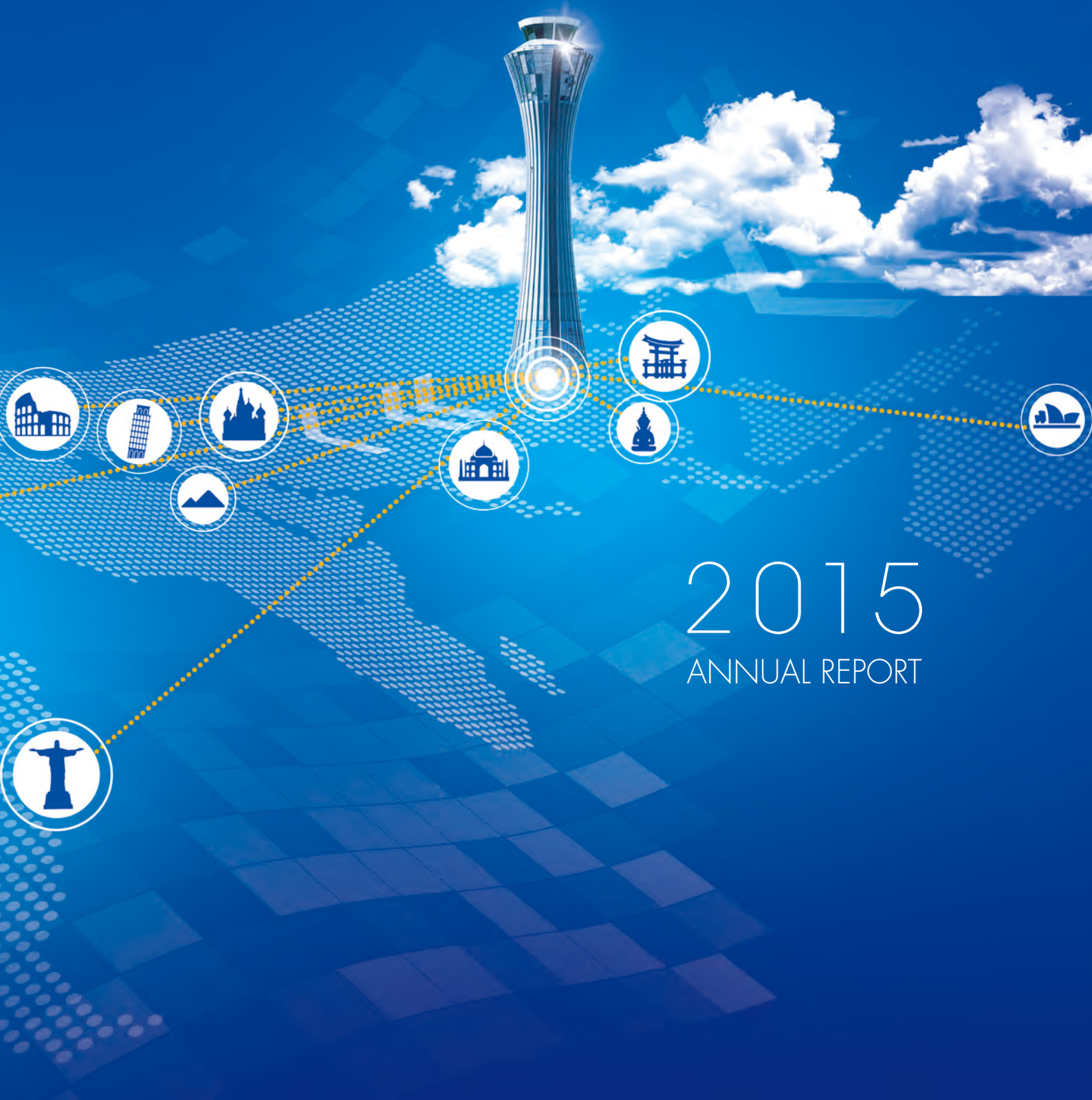




BEIJING CAPITAL INTERNATIONAL AIRPORT COMPANY LIMITED

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

Stock Code: 00694



2015

ANNUAL REPORT





CONTENTS

Financial Summary	3
Company Profile	4
Chairman's Statement	6
Report of the Board	12
Management Discussion and Analysis	43
Corporate Governance Report	52
Report of the Supervisory Committee	66
Independent Auditor's Report	68
Balance Sheet	70
Statement of Comprehensive Income	72
Statement of Changes in Equity	74
Statement of Cash Flows	75
Notes to the Financial Statements	76
Company Information	142
Price and Turnover History	144



ADVANCE THE CHINESE SERVICE DEVELOP AN INTERNATIONAL HUB





Financial Summary

(All amounts are expressed in thousands of Renminbi, except per share data)

	2015	2014	2013	2012	2011
Operating Results					
Revenues	8,509,962	7,655,957	7,224,818	6,862,660	6,500,216
EBITDA	4,292,798	3,860,232	3,925,572	3,685,493	3,718,707
Profit before tax	2,192,956	1,859,039	1,775,380	1,532,580	1,485,596
Tax	(551,041)	(467,808)	(446,356)	(383,518)	(371,603)
Profit for the year	1,641,915	1,391,231	1,329,024	1,149,062	1,113,993
Attributable to:					
Equity holders of the Company	1,641,915	1,391,231	1,329,024	1,149,062	1,113,993
Non-controlling interests	—	—	—	—	—
Earnings per share-basic and diluted (RMB)	0.38	0.32	0.31	0.27	0.26
Return on Equity	9.00%	8.09%	8.20%	7.55%	7.70%
Financial Position					
Assets					
Non-current assets	29,186,899	28,217,096	29,361,009	30,336,954	31,546,967
Current assets	3,504,327	3,694,171	3,335,558	3,085,762	2,352,162
Total	<u>32,691,226</u>	<u>31,911,267</u>	<u>32,696,567</u>	<u>33,422,716</u>	<u>33,899,129</u>
Equity and liabilities					
Shareholders' equity					
Non-controlling interests	—	—	—	—	—
Non-current liabilities	7,169,964	8,029,063	10,814,098	8,073,293	16,933,884
Current liabilities	7,252,272	6,679,835	5,670,688	10,125,624	2,493,599
Total	<u>32,691,226</u>	<u>31,911,267</u>	<u>32,696,567</u>	<u>33,422,716</u>	<u>33,899,129</u>



Company Profile

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 on 15 October 1999 to own and manage the aeronautical operations and certain ancillary commercial businesses at the international airport in Beijing, the PRC (the “Beijing Capital Airport”). On 27 January 2000, 1,346,150,000 H shares in the Company of RMB1.00 each were issued to the public at HK\$1.87 per share and such shares were listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 1 February 2000. Upon such issue, the total share capital of the Company increased from 2,500,000,000 shares to 3,846,150,000 shares. Among which, Capital Airports Holding Company (the “Parent Company” or “CAHC”) holds 2,500,000,000 domestic shares, representing 65% of the total share capital; the public investors hold 1,346,150,000 H shares, representing 35% of the total share capital. On 18 May 2001, as approved by the Ministry of Foreign Trade and Economic Cooperation of the PRC (the former entity of the Ministry of Commerce of the PRC), the Company became a foreign invested joint stock limited company.

The Company has completed the placing of H shares to institutional or professional investors in Hong Kong, on 4 October 2006 and 10 June 2008, respectively. Upon the completion of the above two placements, the total share capital of the Company increased to 4,330,890,000 shares. Among which, the Parent Company holds 2,451,526,000 domestic shares, representing 56.61% of the total share capital; the public investors hold 1,879,364,000 H shares, representing 43.39% of the total share capital.

At present, the Company is principally engaged in aeronautical and non-aeronautical businesses at the Beijing Capital Airport.





Company Profile (Continued)

The aeronautical business of the Company consists of the provision of aircraft landings and take-offs and passenger service facilities, ground support services, and fire-fighting services for domestic and foreign air transportation enterprises.

By the end of 2015, there were 96 airliners operating fixed commercial flights at the Beijing Capital Airport, including 25 domestic airliners and 71 airliners from foreign countries, Hong Kong, Macau and Taiwan.

By the end of 2015, there were 269 flight points linking with the Beijing Capital Airport, including 140 domestic flight points and 129 international flight points.

The non-aeronautical business of the Company includes the franchise-based operation of: (1) ground handling agent services supplied for domestic and foreign airliners; (2) in-flight catering services; (3) duty free and other retail shops in the terminals; (4) restaurants and other catering businesses in the terminals; (5) leasing of advertising spaces inside and outside the terminals in the Beijing Capital Airport and other businesses.

The non-aeronautical business of the Company also includes the self-operation of: (1) leasing of properties in the terminals; (2) provision of car parking services; and (3) the provision of ground handling facilities for ground handling agent companies.





Chairman's Statement

“ Under the new circumstances, the Company will perform progressive adjustment by optimizing business structure, upgrading service quality and improving resources utilization efficiency, instead of pursuing the increase of air traffic volume. The Company will continue to focus on and proactively follow the developmental trends to further improve the development quality of Beijing Capital Airport by persisting in market-orientation and innovation. ”



Mr. Liu Xuesong
Chairman



Chairman's Statement (Continued)

To Shareholders:

In 2015, the global economy saw a weak recovery while the domestic economy continued to witness a declined growth. Against such backdrop, Beijing Capital Airport, despite a slowdown in the growth of air traffic volumes, maintained a steady development momentum due to the gradual adjustment and improvement of its overall structure. Meanwhile, through continuously pressing ahead with the hub construction, enhancing the management and vigorously improving the quality of operation and services, the Company accomplished remarkable improvements in respect of security, operation and services while maintaining the stable growth in operating results. I am delighted to report to our shareholders the 2015 operating and financial results of the Company, as well as our prospects for 2016.

STEADY GROWTH OF AIR TRAFFIC VOLUMES

In 2015, the recovery of global economy cascaded down to phasic bottom while the domestic economy was confronted with an increasing downward pressure and a slower growth pace. Beijing Capital Airport's air traffic volumes maintained its growth momentum on the whole, while the growth rate tended to level off. The annual aircraft movements reached 590,169 sorties, representing an increase of 1.4% over the previous year; the passenger throughput reached 89,938,628 person-times, representing an increase of 4.4% over the previous year; the annual cargo and mail throughput was 1,889,829 tonnes, representing an increase of 2.2% over the previous year. According to the primary statistics of Airports Council International ("ACI"), the Beijing Capital Airport's passenger throughput in 2015 once again maintained at the second place globally and its turnovers of aircraft movements and cargo throughput ranked the fifth and the fourteenth respectively worldwide in 2015.

BREAKTHROUGH IN SECURITY, OPERATION AND SERVICES BY INNOVATION

In 2015, through improving the construction of safety management system, the Company continued to enhance the airport's security assurance capability, and ensured safe and steady operation throughout the year. Meanwhile, it successfully accomplished the major security tasks including the security programme for the commemoration meeting and military parade of the 70th anniversary for the victories of China's Resistance War Against Japanese Aggression and the World's Anti-Fascist War.

In 2015, the Company made further breakthroughs in service quality through a series of measures such as endeavoring to deepen its service management system, continuing to rectify its weaknesses, vigorously promoting the construction of "smart airport", proactively exploring the "Internet +" service initiatives and delivering better service experience to travelers. For the whole year, the satisfaction index scaled a new high to hit 4.98 on a scale of 5, ranking the second among the airports in the Asian-Pacific region for the first time.



Chairman's Statement (Continued)

PROGRESS AMID SOLID PERFORMANCE IN OPERATING RESULTS

In 2015, the global economy hit phasic bottom while China's economy was facing greater downward pressure. Despite a slower growth of the traffic volume of Beijing Capital Airport during the year, the Company still managed to realize steady growth in its financial results by intensifying business concepts, adjusting traffic volume structure, further tapping resource potentials and strengthening cost control.

In 2015, the Company made new progress in its hub construction initiatives. The number of new airlines and destinations were increased by 4 and 25 respectively, while the proportion of international passengers was further enlarged through optimization of Beijing-Tianjin-Hebei airline network. In the meantime, completion of the main works of Terminal Two renovation project and the overhaul of the central runway supplemented and optimized the operational resources in a timely manner. Throughout 2015, benefiting from the continuous increase of routes, the natural growth of air traffic volume as well as the adjustment of traffic volume structure, the Company recorded aeronautical revenue of RMB4,593,099,000, representing an increase of 5.2% over the previous year.

In 2015, the Company devoted more efforts to further tap the development potentials of non-aeronautical businesses, and boosted the continuous and rapid increase in relevant revenues through adjusting commercial operation and management mode and improving commercial management efficiency. In the meantime, the Company vigorously strengthened resources planning, innovated commercial marketing, and carried out the "Internet +" marketing campaigns in cooperation with professional companies, merchants and internet payment platforms, thus achieving continuous increase in the non-aeronautical revenues. Furthermore, as the commercial concession models for advertising, retailing, and restaurants and food shops were adjusted, their original revenue recognition methods were changed accordingly, resulting in significant increase in the concession revenues from advertising, retailing, and restaurants and food shops¹. Throughout 2015, the Company has achieved non-aeronautical revenues of RMB3,916,863,000, representing an increase of 19.1% over the previous year. The proportion of non-aeronautical revenues in the total revenue of the Company reached 46.0%.

In 2015, the Company achieved operating revenues of RMB8,509,962,000, representing an increase of 11.2% over the previous year.

In 2015, the Company continued to strengthen cost control and raised the business awareness of all staff. Throughout the year, the Company recorded additional expenditures for entrusted management fee from concession operation due to the adjustment to the non-aeronautical business model. Despite the pressure from increases in operating costs attributable to an increase in traffic volume, the Company managed to control its operating expenses within an anticipated range through stricter cost control and refined cost management, which amounted to RMB5,603,060,000 for 2015, representing a rise of 8.3% over the previous year.

¹Note: for details, please refer to the section headed "Management Discussion and Analysis".



Chairman's Statement (Continued)

In 2015, the Company continued to optimize its debt structure, and further improved its capital structure, with its liability-to-asset ratio dropping to 44.1%.

In 2015, the Company's net profit after tax was RMB1,641,915,000, representing an increase of 18.0% over the previous year. Throughout the year, the Company still maintained its solid and sustained profitability amid weak economic indicators worldwide and the slower economic growth in China.

In 2015, the Company successfully hosted the fourth Beijing Global Friend Airports CEO Forum and continued to expand sister airports relationship with the world's leading players, and the total number of our sister airports reached 28, opening a new chapter for international communication and cooperation. The Company's sustained admirable performance and reasonable strategic layout were highly recognized in the capital markets. Against the market trend, the Company's share price rose by approximately 35% throughout the year.

PROSPECTS OF 2016

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

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



Chairman's Statement (Continued)

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

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

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

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

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

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



Chairman's Statement (Continued)

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

Looking back into 2015, Beijing Capital Airport accomplished noteworthy achievements. The Company has made new progress and results during the process of business structure adjustment. I hereby would like to thank all shareholders for your trust and support, thank all governmental authorities that support the Beijing Capital Airport, thank all airlines and other parties operating at the Beijing Capital Airport, and thank all staff of the Company for their hard work and dedication in 2015.

Liu Xuesong
Chairman

Beijing, the PRC, 22 March 2016



Report of the Board

The board of directors of the Company (the “Board”) is pleased to present the annual report and the audited financial statements of the Company for the fiscal year ended 31 December 2015.

BUSINESS MODEL AND STRATEGIC OBJECTIVES

With the operation and management of Beijing Capital Airport as its principal businesses, the Company endeavours to provide safe, convenient and pleasant arrival and departure services for passengers and promote the development of its aeronautical and non-aeronautical businesses. On the basis of safe development, the Company will continue to focus on improving development quality and adjusting business structure and implement the development principle of “Innovation, Coordination, Green, Open and Share” to realise the strategic target of building Beijing Capital Airport into a large-scale international airline hub.

OPERATING RESULTS AND FINANCIAL POSITION

The Company’s operating results for the year ended 31 December 2015 and the financial position of the Company as at 31 December 2015 prepared basing on International Financial Reporting Standards (“IFRS”) are set out on pages 70 to 141 of the annual report.

FINANCIAL SUMMARY

A summary of the results and the financial position of the Company for the past five financial years is set out on page 3 of this annual report.





Report of the Board (Continued)

BUSINESS REVIEW

A fair review of the business of the Company for the year ended 31 December 2015 is provided in the “Management Discussion and Analysis” from page 43 to 51 of this annual report.

Description of the principal risks and uncertainties facing the Company can be found in the “Exposure to Fluctuations in Exchange Rates” and “Exposure to Fluctuations in Interest Rates” on page 49 of this annual report.

The probable future business development of the Company is discussed in the paragraph headed “Prospects for 2016” from page 9 to 11 of this annual report.

The Company keeps a close eye on the harmonious development with the local environment. While stringently adhering to relevant national and local laws and regulations on environment protection, the Company puts continued efforts on the enhancement of professional environment protection in accordance with the environmental protection construction of advanced airports, aiming at transmitting and expanding the Company’s influence in respect of environmental influence and creating a “Green Airport” while realising the Company’s sustainable development.





Report of the Board (Continued)

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Company as at 31 December 2015 and their movements for the fiscal year ended 31 December 2015 are set out in Note 6 to the Financial Statements.

RESERVES

Changes in reserves of the Company for the fiscal year ended 31 December 2015 is set out on page 110 of this annual report.

ISSUED SHARE CAPITAL

No share capital was issued by the Company during the year ended 31 December 2015.

The disclosure of equity interests of the Company as at 31 December 2015 is set out on pages 28 to 29 of this annual report.

TAXATION

The details of taxation of the Company for the year ended 31 December 2015 are set out in Note 24 to the Financial Statements.

EQUITY-LINKED AGREEMENT

There was no equity-linked agreement entered into by the Company during the year ended 31 December 2015.

ENTRUSTED LOANS AND OVERDUE FIXED DEPOSITS

As at 31 December 2015, the Company has no entrusted loans or any fixed deposits matured but not yet withdrawn placed in financial institutions or any other entities.



Report of the Board (Continued)

MAJOR CUSTOMERS AND SUPPLIERS

The largest customer, Air China Limited (including its subsidiaries), and the five largest customers of the Company represented 18.4% and 47.8% respectively, of the total revenues of the Company for the year ended 31 December 2015.

The largest supplier, Capital Airports Power and Energy Co., Ltd. and the five largest suppliers of the Company represented 13.1% and 37.0% respectively, of the total operating expenses of the Company for the year ended 31 December 2015.

To the knowledge of the Board, none of the Company's directors and their respective close associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules")) or shareholders holding more than 5% of the Company's issued share capital (excluding the Parent Company) owned any interests in the Company's five largest customers or five largest suppliers at any time during the year ended 31 December 2015. The Parent Company held the equity interests of the five largest suppliers of the Company as follows: held 100% equity interest of Capital Airports Power and Energy Co., Ltd.; directly and indirectly held 100% equity interest of Capital Airport Aviation Security Co., Ltd.; held 100% equity interest of Beijing Capital Airport Commercial & Trading Co., Ltd.; held 100% equity interest of Beijing Capital Airport Advertising Co., Ltd..

SUBSIDIARIES AND JOINT VENTURES

The Company has no subsidiary but holds 60% equity interest in one joint venture, Beijing Bowei Airport Support Limited ("Bowe"), as at 31 December 2015. Details are set out in Note 9 to the Financial Statements.

During the year ended 31 December 2015, the Company did not conduct any material acquisition or disposal in relation to its joint ventures.

ACQUISITION AND DISPOSAL

Apart from the acquisition of the Building D of Terminal Three and Ancillary Assets (the "T3D" Assets) from the Parent Company, the Company did not conduct any other material acquisition or disposal during the year ended 31 December 2015.

MATERIAL ACQUISITION AND MATERIAL SUBSEQUENT EVENT

Apart from the aforementioned event, during the year ended 31 December 2015, the Company had no material acquisition.

During the period from 1 January 2016 to 22 March 2016, the Company had no material subsequent event.



Report of the Board (Continued)

TRADE AND OTHER RECEIVABLES

As at 31 December 2015, the Company's trade and other receivables (including non-current portion) were RMB1,318,476,000, representing a decrease of 8.8% as compared with the end of the previous year.

The details of the Company's trade and other receivables (including non-current portion) are set out in Note 10 to the Financial Statements, and the policies relating to the trade and other receivables and the impairment contained in Note 2 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of PRC, by which the shareholders of the Company would oblige the Company to offer new shares in proportion to their shareholding.



Report of the Board (Continued)

CONNECTED TRANSACTIONS

Continuing Connected Transactions

According to the requirements under Chapter 14A of the Listing Rules, the continuing connected transactions of the Company, which are subject to the annual review requirements, for the year ended 31 December 2015 are set out as follows:

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	<i>RMB'000</i>
1	The Company and Beijing Capital Airport Commercial & Trading Company Limited ("BACT") entered into the Domestic Retail Leasing Agreement on 5 January 2015 with effect from 1 January 2015 to 31 December 2017, pursuant to which, BACT agreed to lease the designated retail resources in the domestic isolated area and the public area in Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport. The execution of the agreement is expected to operate the retail resources designated by Beijing Capital Airport in a more effective manner, which in turn will enhance commercial satisfaction and service quality of Beijing Capital Airport and increase the revenue of the Company as a whole. For details of the relevant transactions, please refer to the Company's announcement on 5 January 2015.	The Parent Company is holding 100% equity interest of BACT.	157,674	180,000
2	The Company and Beijing Capital Airport Food Management Company Limited ("BAFM") entered into the Food and Beverage Leasing Agreement on 5 January 2015 with effect from 1 January 2015 to 31 December 2017, pursuant to which BAFM agreed to lease the designated food and beverage resources in Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport. The execution of the agreement is expected to operate the food and beverage resources in Beijing Capital Airport in a more effective manner, which in turn will enhance food and beverage satisfaction and quality of Beijing Capital Airport and increase the revenue of the Company as a whole. For details of the relevant transactions, please refer to the Company's announcement on 5 January 2015.	The Parent Company is holding 100% equity interest of BAFM.	45,228	50,000



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	
3	<p>The Company and Capital Airport VIP Services Management Co., Ltd. ("CAVIP") entered into the Traveller Services Business Cooperation Agreement on 31 December 2014 with effect from 1 January 2015 to 31 December 2017, pursuant to which the Company agreed to permit CAVIP to use certain areas and resources at the terminals of the Beijing Capital Airport for the provision of various travellers' services to the passengers of the Beijing Capital Airport. The execution of Traveller Services Business Cooperation Agreement with CAVIP may enable the Company to conduct integrated planning and management of the resources used for the passenger services in the terminals to advance the utilization efficiency of the resources in the terminals. On the other hand, CAVIP would be able to coordinate and arrange its professional service staff to improve its service quality. For details of the relevant transaction, please refer to the Company's announcement on 31 December 2014.</p>	The Parent Company is holding 100% equity interest of CAVIP.	57,155	76,000
4	<p>The Company and Capital Jet Company Co., Ltd. ("CACL") entered into the Business Jet Ground Services Joint Operation Agreement on 16 October 2012 with effect from 1 October 2012 to 30 September 2015, pursuant to which the Company agreed to permit CACL to be the exclusive service provider for the provision of ground services to business jets taking off and landing at the Beijing Capital Airport. The execution of Business Jet Ground Services Joint Operation Agreement with CACL may enable the Company to advance the utilization efficiency of the ground services resources for business jets in the Beijing Capital Airport, enhance overall costs control, services quality, management efficiency and market competitiveness. Meanwhile, the cooperation with CACL can also increase the revenue of the Company. For details of the relevant transaction, please refer to the Company's announcement on 16 October 2012.</p>	The Parent Company is holding 60.00% equity interest of CACL.	14,733	18,450 <i>Note (1)</i>



Report of the Board (Continued)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap	
		for the year ended 31 December 2015 <i>RMB'000</i>		<i>RMB'000</i>
5	The Company and Capital Jet Company Co., Ltd. ("CACL") entered into the Business Jet Ground Services Joint Operation Agreement on 29 January 2016 with effect from 1 October 2015 to 30 September 2018, pursuant to which the Company agreed to permit CACL to provide ground services to business jets taking off and landing and other relevant businesses at the Beijing Capital Airport. The execution of Business Jet Ground Services Joint Operation Agreement with CACL may enable the Company to advance the utilization efficiency of the ground services resources for business jets in the Beijing Capital Airport, enhance overall costs control, services quality, management efficiency and market competitiveness. Meanwhile, the cooperation with CACL can also increase the revenue of the Company. For details of the relevant transaction, please refer to the Company's announcement on 29 January 2016.	The Parent Company is holding 60.00% equity interest of CACL.	1,296	5,500 <i>Note (2)</i>
6	The Company and Capital Airports Power and Energy Company Limited ("CAPE") entered into the Supply of Power and Energy Services on 31 October 2014 with effect from 1 January 2015 to 31 December 2017, pursuant to which CAPE agreed to provide water, electricity, steam power, natural gas, air conditions and heaters to the Company at the terminals and other areas at Beijing Capital Airport. The execution of the agreement is expected to provide stable supply of water, electricity, steam power, natural gas, air conditions and heaters to the Company, and CAPE is the sole supplier of water, electricity, steam power, natural gas, air conditions and heaters in the area around Beijing Capital Airport with rich experiences providing the above services to the Company. For details of the relevant transactions, please refer to the Company's circular on 23 November 2014.	The Parent Company is holding 100% equity interest of CAPE.	614,483	746,088



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	<i>RMB'000</i>
7	The Company and CAPE entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Agreement on 31 December 2014 with effect from 1 January 2015 to 31 December 2017, pursuant to which CAPE agreed to provide the operation and maintenance services of power and energy facilities to the Company at Beijing Capital Airport. The execution of this agreement is expected to provide operation and maintenance services in respect of power and energy facilities such as energy, water supply and heating, air-conditioning, lighting, etc. in the area where Terminal One, Terminal Two and Terminal Three locate and their surrounding areas, and in respect of power and water facilities in the office buildings of Beijing Capital Airport, as well as to provide operation and maintenance for sewage disposal and purification stations and garbage incineration, etc. and other relevant services as requested by the Company. For details of the relevant transaction, please refer to the Company's announcement on 31 December 2014.	The Parent Company is holding 100% equity interest of CAPE.	135,858	163,000
8	The Company and Capital Airports Aviation Security Company Limited ("CAAS") entered into the Supply of Aviation Safety and Security Guard Services Agreement on 31 October 2014 with effect from 1 January 2015 to 31 December 2017, pursuant to which CAAS agreed to provide aviation safety and security guard services to the Company in the Beijing Capital Airport. Since CAAS has the expertise and experience in the provision of aviation safety and security guard services in Beijing Capital Airport, it is able to provide an integrated and complete range of aviation security services to the Company. The Company considers that the engagement of CAAS for the provision of aviation safety and security guard services will enable the Company to focus on developing and operating its core businesses in Beijing Capital Airport. For details of the relevant transaction, please refer to the Company's announcement on 23 November 2014.	The Parent Company is holding 100% equity interest of CAAS, either directly or indirectly.	506,605	600,269



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	
9	The Company and Beijing Capital Airport Commercial & Trading Company Limited ("BACT") entered into the International Retail Management Agreement on 5 January 2015 with effect from 1 January 2015 to 31 December 2017, pursuant to which BACT agreed to provide to the Company the operation and management services of the designated retail resources in the international isolated area and the international arrival area of Terminal Two and Terminal Three of Beijing Capital Airport. Given that BACT is quite familiar with the international retail business in Beijing Capital Airport and has rich recourses of international retail customers and strong management capacity on retail investment invitation and operation, the execution of this agreement is expected to enhance the value of trading and retail services of Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport and helping cost control of the Company as a whole. For details of the relevant transactions, please refer to the Company's announcement on 5 January 2015.	The Parent Company is holding 100% equity interest of BACT.	241,447	280,000
10	The Company and Beijing Capital Airport Advertising Company Limited ("BAA") entered into the Advertising Management Agreement on 5 January 2015 with effect from 1 January 2015 to 31 December 2017, pursuant to which BAA agreed to provide advertising management services of the designated advertising resources in or nearby Beijing Capital Airport from time to time including terminals, ground transportation center at Beijing Airport, buildings outside lanes nearby, to the Company. Given that BAA is quite familiar with the advertising business in Beijing Capital Airport and has rich customers resources and strong management capacity on advertising investment invitation, the execution of this agreement is expected to enhance the value of advertising resources of Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport and helping cost control of the Company as a whole. For details of the relevant transactions, please refer to the Company's announcement on 5 January 2015.	The Parent Company is holding 100% equity interest of BAA.	244,639	270,000



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts for the year ended 31 December 2015 <i>RMB'000</i>	Annual Cap <i>RMB'000</i>
11	The Company and Beijing Capital Airport Food Management Company Limited ("BAFM") entered into the Food and Beverage Management Agreement on 5 January 2015 with effect from 1 January 2015 to 31 December 2017, pursuant to which BAFM agreed to provide operation and management services of the designated food and beverage resources in Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport. Given that BAFM is quite familiar with the food and beverage business in Beijing Capital Airport and has rich customers resources and strong management capacity on food and beverage investment invitation and operation, the execution of the agreement is expected to enhance the quality of restaurants and food & beverage services and value of food and beverage resources of Beijing Capital Airport, thus promoting the image and management efficiency of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement on 5 January 2015.	The Parent Company is holding 100% equity interest of BAFM.	76,434	80,000
12	The Company and Beijing Capital Property Management Company Limited ("BCPM") entered into the Supply of Miscellaneous Property Services Agreement on 31 December 2014 with effect from 1 January 2015 to 31 December 2017, pursuant to which BCPM agreed to provide the Company with miscellaneous property services to Terminal One, Terminal Two, Terminal Three, the public area, airfield area and other designated area at the Beijing Capital Airport. The execution of this agreement is expected to help the Company control overall costs, and enhance service quality in the related areas. For details of the relevant transaction, please refer to the Company's announcement on 31 December 2014.	The Parent Company is holding 100% equity interest of BCPM.	221,692	265,000



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	
13	<p>The Company and Beijing Capital Airport Property Management Center ("BAPMC") entered into the Leasing Framework Agreement on 10 January 2013 for the lease of certain premises, including but not limited to office buildings, carparks, a canteen area and dormitory area, from BAPMC, with effect from 1 January 2013 to 31 December 2015. The execution of this lease is expected to address the Company's need to maintain the overall steady operation of the Beijing Capital Airport in its management and daily operation of the airport. For details of the relevant transaction, please refer to the Company's announcement on 10 January 2013.</p>	The Parent Company is holding 100% of the issued share capital of BAPMC.	52,021	81,000
14	<p>The Company and the Parent Company entered into the Airfield Land Lease Agreement on 26 October 2006, for the lease of Airfield Land from the Parent Company. The term of the Airfield Land Lease Agreement is 20 years from the date on which the approval from the Beijing Bureau of Land and Resources on the transactions contemplated under the Airfield Land Lease Agreement is obtained, subject to renewal for 20 years on same terms and conditions upon request by the Company in accordance with the applicable PRC laws, and subject to further renewal for 10 years on same terms and conditions upon request by the Company in accordance with the applicable PRC laws. The execution of this agreement is expected to ensure the long term use of the foresaid airfield areas and to save a substantial amount of capital expenditure in acquiring the land use rights to the Airfield Land. On 31 January 2008, the Company and the Parent Company entered into a supplemental agreement for adjustment of rental. For details of these transactions, please refer to the Company's announcements on 26 October 2006 and 31 January 2008.</p>	The Parent Company is holding 56.61% of the issued share capital of the Company.	28,000	28,000 <i>Note (3)</i>



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	
15	The Company and the Parent Company entered into the Information Technology Center Lease Agreement on 9 January 2014, for the lease of the information technology center from the Parent Company, with effect from 1 January 2014 to 31 December 2016, pursuant to which the Company leased the information technology center from the Parent Company as an operation command center and information center for Beijing Capital Airport and to house the information technology system in order to ensure the smooth operation of Beijing Capital Airport. For details of the relevant transaction, please refer to the Company's announcement on 9 January 2014.	The Parent Company is holding 56.61% of the issued share capital of the Company.	16,811	17,000
16	The Company entered into the GTC Outsource Agreement with the Parent Company on 5 February 2013, with effect from 1 January 2013 to 31 December 2015, pursuant to which the Parent Company agreed to outsource the operation and management of the GTC to the Company. The Company has the right to use, operate and manage the GTC and will be able to share a portion of the profit generated from the operation and management of the GTC. For details of the relevant transaction, please refer to the Company's announcement on 5 February 2013.	The Parent Company is holding 56.61% of the issued share capital of the Company.	16,215	33,000
17	The Company and the Parent Company entered into the Lease Agreement on 16 November 1999, for the lease of the land use rights to the runways, aprons and parking lands from the Parent Company. The term of the lease of the land use rights to the runways and aprons is 50 years, while the term of the lease of the land use rights to the parking lands is 40 years. For details of the relevant transactions, please refer to the Company's prospectus.	The Parent Company is holding 56.61% of the issued share capital of the Company.	8,999	9,018 <i>Note (4)</i>



Report of the Board (Continued)

	Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Transaction amounts	Annual Cap
			for the year ended 31 December 2015 <i>RMB'000</i>	
18	The Company and the Parent Company entered into the Trademark License Agreement on 23 December 2013, with effect from 1 December 2013 to 30 November 2016, pursuant to which the Parent Company agreed to grant the Company the right to use the Trademarks in the PRC in the goods and services under the registered classes of the Trademarks. This agreement was entered into because the continual use of the Trademarks will ensure the continuity of the brand and image of the Company and the Beijing Capital Airport, thereby ensuring that the services and businesses of the Company will be well recognised by the market. For details of the relevant transaction, please refer to the Company's announcement on 23 December 2013.	The Parent Company is holding 56.61% of the issued share capital of the Company.	73,561	82,000
19	The Company and Beijing Capital Airport Group Finance Company Limited ("BAGF") entered into the Financial Service Agreement on 13 December 2013 with effect from 1 January 2014 to 30 June 2016, pursuant to which BAGF agreed to provide the Company with deposit services, loan and guarantee services, and other financial services. The execution of this agreement is expected to enable the Company to obtain more expedient and efficient financial services. For details of the relevant transactions, please refer to the Company's announcements on 13 December 2013.	The Parent Company is holding 100% equity interest of BAGF, either directly or indirectly.	302,037	For deposit services (maximum daily balance of the deposit) <i>Note (5)</i> : 340,000; For other financial services: 10,000
20	The Company and Beijing Capital Airport Group Finance Company Limited ("BAGF") entered into the Financial Services Supplemental Agreement on 6 May 2015 with effect from 24 June 2015 to 31 December 2017 to replace the Financial Services Agreement (which will be automatically terminated once the Supplemental Agreement becomes effective). The execution of this agreement is expected to enable the Company to obtain more expedient and efficient financial services. For details of the relevant transactions, please refer to the Company's announcement on 6 May 2015 and circular on 28 May 2015.	The Parent Company is holding 100% equity interest of BAGF, either directly or indirectly.	324,716	For deposit services (maximum daily balance of the deposit) <i>Note (6)</i> : 1,000, 000; For other financial services: 10,000



Report of the Board (Continued)

Notes:

- (1) The amount and annual cap represent the transaction amount and annual cap for the period from 1 January 2015 to 30 September 2015.
- (2) The amount and annual cap represent the transaction amount and annual cap for the period from 1 October 2015 to 31 December 2015.
- (3) The Airfield Land Lease Agreement and the related supplemental agreement, including the rented areas and rental, is in the progress of obtaining approval from the related land governmental authorities.
- (4) The cap for the year 1999 was no more than RMB5,600,000. Since 1999, the annual cap may increase by no more than 10% every three years; the cap for the year 2015 may increase by no more than 61.05% over the year 1999, to RMB9,018,856.
- (5) This amount and annual cap represents the maximum daily balance of deposit placed by the Company at BAGF during the period from 1 January 2015 to 23 June 2015.
- (6) This amount and annual cap represents the maximum daily balance of deposit placed by the Company at BAGF during the period from 24 June 2015 to 31 December 2017.

The aforesaid continuing connected transactions were reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid continuing connected transactions were entered into:

1. in the ordinary and usual course of business of the Company;
2. either (i) on the normal commercial terms or (ii) on the terms no less favourable to the Company than the terms available to or from independent third parties (if applicable); and
3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Company as above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.



Report of the Board (Continued)

CONNECTED TRANSACTIONS

According to the requirements under Chapter 14A of the Listing Rules, the connected transaction of the Company, which is subject to the annual review requirements, for the year ended 31 December 2015 are set out as follows:

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Consideration of connected transactions (RMB'000)
<p>1 The Company and Beijing Aviation Construction Engineering Co., Ltd ("BACE") entered into the Mid-Portion of Central Runway Emergency Repairing Services Agreement on 15 May 2015, pursuant to which, BACE agreed to provide Mid-portion of Central Runway Emergency Repairing Services to the mid-portion of the central runway to the Company. The term of the Mid-Portion of Central Runway Emergency Repairing Services Agreement is for a term of 60 calendar days from the commencement date of work. The commencement date of work shall be subject to notice of commencement given by the supervisor of the project. The execution of this agreement aims to improve aviation safety at the Beijing Capital Airport. For details of the relevant transaction, please refer to the Company's announcement on 15 May 2015.</p>	<p>The Parent Company is indirectly holding 56.65% equity interest of BACE.</p>	<p>23,281 (the maximum consideration will not exceed 24,445)</p>

The continuing connected transactions and connected transactions of the Company disclosed above also constitute transactions with related parties ("Related Party Transactions") as set out in Note 30(b) to the financial statements. The Company confirms that in respect of these transactions which are both (i) Related Party Transactions; and (ii) connected/continuing connected transactions, it has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.



Report of the Board (Continued)

DISCLOSURE OF INTERESTS

As at 31 December 2015, the total issued capital of the Company is 4,330,890,000 shares, comprising 1,879,364,000 H shares and 2,451,526,000 domestic shares.

As at 31 December 2015, the interests and long positions and short positions held by the following persons, other than directors or supervisors of the Company, as recorded in the register required to be kept by the Company under Section 336 of the Securities of Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") were as follows:

Name of substantial shareholder	Class of shares	Number of shares holding interest	Capacity	Percentage of shareholding to the relevant class	Percentage to the total issued shares
Capital Airports Holding Company (Note 1)	Domestic shares	2,451,526,000(L)	Beneficial owner	100%	56.61%
Cheng Yu Tung Family (Holdings II) Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
Cheng Yu Tung Family (Holdings) Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
Chow Tai Fook Capital Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
Chow Tai Fook (Holding) Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
Chow Tai Fook Enterprises Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
New World Development Company Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
NWS Holdings Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
NWS Ports Management Limited (Note 2)	H shares	448,342,000(L)	Interest of corporation controlled by substantial shareholder	23.86%	10.35%
Fortland Ventures Limited (Note 2)	H shares	448,342,000(L)	Beneficial owner	23.86%	10.35%
JPMorgan Chase & Co.	H shares	125,420,719(L) 3,400,000(S) 44,164,109(P)	Interest of corporation controlled by substantial shareholder	6.67% 0.18% 2.34%	2.90% 0.08% 1.02%
Citigroup Inc.	H shares	73,588,689(L) 1,182,430(S) 66,467,969(P)	Interest of corporation controlled by substantial shareholder	3.91% 0.06% 3.53%	1.70% 0.03% 1.53%
BlackRock, Inc.	H shares	108,013,002(L) 1,370,000(S)	Interest of corporation controlled by substantial shareholder	5.75% 0.07%	2.49% 0.03%

(L) = Long Position

(S) = Short Position

(P) = Lending Pool



Report of the Board (Continued)

Notes:

1. Capital Airports Holding Company was incorporated in the PRC, and is the controlling shareholder of the Company.

Mr. Liu Xuesong, an executive director and the chairman of the Board, is the general manager and deputy party secretary of Capital Airports Holding Company.

Mr. Yao Yabo, a non-executive director of the Company, is the deputy general manager (general manager level) of Capital Airports Holding Company.

Mr. Zhang Musheng, a non-executive director of the Company, is the deputy general manager of Capital Airports Holding Company.

Mr. Ma Zheng, a non-executive director of the Company, is the general legal counsel and chairman of labor union of Capital Airports Holding Company.

2. Cheng Yu Tung Family (Holdings) Limited holds approximately 48.98% interest in Chow Tai Fook Capital Limited ("CTF Capital") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Capital.

Cheng Yu Tung Family (Holdings II) Limited holds approximately 46.65% interest in CTF Capital and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Capital.

CTF Capital holds approximately 78.58% interest in Chow Tai Fook (Holding) Limited ("CTF Holding") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Holding.

CTF Holding holds 100% interest in Chow Tai Fook Enterprises Limited ("CTF Enterprises") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Enterprises.

CTF Enterprises, together with its subsidiaries, hold approximately 43.87% interest in New World Development Company Limited ("NWD") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD.

NWD holds approximately 61.33% interest in NWS Holdings Limited ("NWS") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWS.

NWS holds 100% interest in NWS Ports Management Limited ("NWS Ports") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWS Ports.

NWS Ports holds 100% interest in Fortland Ventures Limited ("Fortland Ventures") and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by Fortland Ventures.

Therefore, Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, CTF Capital, CTF Holding, CTF Enterprises, NWD, NWS and NWS Ports are all deemed to be interested in all the Shares held by or deemed to be interested by Fortland Ventures.



Report of the Board (Continued)

INTERESTS OF DIRECTORS, SUPERVISORS AND THE GENERAL MANAGER IN THE SHARES OF THE COMPANY

As at 31 December 2015, none of the directors, supervisors or the general manager of the Company had any interests or short positions in any shares, any underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) recorded in the register of the Company required to be kept by the Company under section 352 of the SFO; or (b) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies. During the year ended 31 December 2015, none of the directors, supervisors, or the general manager of the Company or their associates had been granted the right to subscribe for any equity or debentures of the Company, nor had any of them exercised such rights during the same period.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

During the year ended 31 December 2015, none of the directors or supervisors of the Company or those entities connected with them directly or indirectly had any material interests in any transaction, arrangement or contract of significance (as defined in the Listing Rules) (other than service contracts/appointment letters) to which the Company was a party.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2015, none of the directors or supervisors of the Company had any interest in any business competing with the Company.

MATERIAL CONTRACTS

Save for those transactions described in the note headed "Related Party Transactions" in the Note 30 to the Financial Statements and the section headed "Connected Transactions" in the Report of the Directors above, there was no material contract in 2015:

- (a) between the Company and its controlling shareholder (or any of its subsidiaries); or
- (b) for the provision of services to the Company by its controlling shareholder (or any of its subsidiaries).



Report of the Board (Continued)

MANAGEMENT CONTRACTS

During the year ended 31 December 2015, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company (other than service contracts with any directors) were entered into or subsisted.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the directors of the Company is currently in force and was in force throughout the financial year. The Company has taken out and maintained directors and officers liability insurance which provides appropriate covers for, among others, incurred by directors of the Company to a third party.

EMOLUMENTS OF DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The details of emoluments of directors, supervisors and the five highest paid individuals during the financial year are set out in Note 21 and 31 to the Financial Statements.

MATERIAL LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the year ended 31 December 2015.

PUBLIC FLOAT

As at 22 March 2016, the Board confirmed that 1,879,364,000 H shares, representing 43.39% of the entire issued share capital of the Company are held by the public, which is in compliance with the minimum requirement of public float under Rule 8.08 of the Listing Rules.

COMPLIANCE WITH “MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS”

The Company has adopted “the Code for Securities Transaction by Directors and Staff” to regulate the securities transaction by directors and staff. The Standard of the Code is no less exacting than the required standard of the Model Code for Securities Transactions by Directors of listed Issuers as set out in Appendix 10 to the Listing Rules (“Model Code”).

Following specific enquiry made with the directors of the Company, the Company has confirmed that each of its directors has complied with the Model Code and the required standard set out in “the Code for Securities Transaction by Directors and Staff” of the Company.



Report of the Board (Continued)

AUDITORS

For the three years ended 31 December 2012, 2013 and 2014, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were the Company's PRC and international auditor, respectively.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers were approved by way of a resolution passed at the 2014 Annual General Meeting ("AGM") of the Company held on 24 June 2015, to act as the Company's PRC and international auditor, respectively, for the year 2015.

The Board will present the resolution for the re-appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the Company's PRC and international auditor, respectively, for the year 2016 at the forthcoming 2015 AGM.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

At the 2013 AGM convened on 30 June 2014, the election of Mr. Liu Xuesong, Mr. Shi Boli, Ms. Gao Lijia, Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Cheng Chi Ming, Brian, Mr. Japhet Sebastian Law, Mr. Wang Xiaolong, Mr. Jiang Ruiming and Mr. Liu Guibin as members of the sixth session of the Board of the Company was considered and approved. The term of office of the sixth session of the Board commences from the conclusion of the 2013 AGM and ends on the date of the 2016 AGM.

At the 2013 AGM convened on 30 June 2014, the election of Mr. Liu Yanbin, Mr. Song Shengli, Mr. Dong Ansheng, Mr. Lau Siu Ki, Ms. Li Xiaomei, Mr. Deng Xianshan and Mr. Chang Jun as members of the sixth session of the supervisory committee of the Company was considered and approved. The term of office of the sixth session of the supervisory committee commences from the conclusion of 2013 AGM and ends on the date of the 2016 AGM.

On 30 June 2014, the sixth session of the Board appointed Mr. Shi Boli as the general manager of the Company, Ms. Gao Lijia as the executive deputy general manager of the Company (general manager level), Mr. Zhang Wei as the deputy general manager, Mr. Du Qiang, Mr. Liu Renjie and Mr. Wen Wu as the directors of operations, Ms. Hao Ling as the director of services, Mr. Kong Yue as the director of commerce, Mr. Ma Yin and Mr. Zhu Wenxin as the directors of business, and Mr. Shu Yong as the secretary of the Board.

At the extraordinary general meeting convened on 18 December 2014, the appointment of Mr. Ma Zheng as a non-executive director of the Company was considered and approved.

On 18 March 2015, Li Xiaomei, a supervisor, resigned as a supervisor of the Company as she reached the retirement age.

On 10 April 2015, Mr. Wang Weiyu and Mr. Du Qiang were appointed as the deputy general managers of the Company.

On 17 September 2015, Mr. Shi Boli resigned as an executive director and the general manager of the Company as he needed more time to handle other matters. On the same date, the sixth session of the Board determined that Mr. Liu Xuesong, the chairman, would temporarily perform all the duties of the general manager prior to the appointment of a new general manager.



Report of the Board (Continued)

On 24 November 2015, Mr. Ma Yin resigned as the director of business of the Company due to job change.

On 22 March 2016, Mr. Han Zhiliang was appointed as the general manager of the Company.

All executive directors of the Company have entered into director's service contract with the Company with a term expiring on the date of the 2016 AGM of the Company. All non-executive directors and supervisors of the Company have entered into letters of undertaking to perform the obligations of non-executive directors and supervisors, respectively, in accordance with the Articles of Association of the Company. Save as mentioned above, none of the directors or supervisors of the Company has entered or proposing to enter into a service contract with the Company. None of the directors or supervisors of the Company has a service contract with the Company which is terminated within one year without payment of compensation to the Company (other than statutory compensation).

The Company has received the confirmation of independence from all independent non-executive directors of the Company pursuant to Rule 3.13 of the Listing Rules.

The profiles of the directors, supervisors and senior management of the Company are as follows:

Executive Directors

Mr. Liu Xuesong, aged 51, an expert enjoying special government allowance from the State Council, was appointed as an executive director and the chairman of the Company on 30 June 2014. Mr. Liu graduated from Chengdu Science and Technology University with a master's degree of the department of Polymer Materials. From June 1988 to February 1994, Mr. Liu served as an assistant engineer and engineer of the Second Research Institute of Civil Aviation Administration of China ("CAAC"). From February 1994 to January 1997, he served as the deputy general manager of Liuwei Company under the Second Research Institute of CAAC; from January 1997 to November 1998, the assistant to the director of the Second Research Institute of CAAC; from November 1998 to May 2000, the deputy director of the Second Research Institute of CAAC; from May 2000 to February 2002, the director and the party secretary of the Second Research Institute of CAAC. From February 2002 to February 2004, Mr. Liu served as the director and the deputy party secretary of CAAC Guizhou Administration Bureau. From February 2004 to February 2006, he was the deputy secretary (field practice) of Yan'an City of the CPC. From February 2006 to November 2009, he served as the director, a member of the standing committee and the secretary of the party committee of CAAC Northwest Regional Administration; from November 2009 to June 2011, the director, a member of the standing committee and the secretary of the party committee of CAAC North China Regional Administration; from June 2011 to March 2014, the director, a member of the standing committee and the deputy secretary of the party committee of CAAC North China Regional Administration. Mr. Liu has been the general manager and deputy party secretary of the Parent Company since March 2014.



Report of the Board (Continued)

Mr. Shi Boli, aged 58, was appointed as an executive director of the Company on 30 June 2014 and resigned as an executive Director of the Company on 17 September 2015. Mr. Shi graduated from China Civil Aviation Institute with major in transportation. Meanwhile, he possesses a master's degree in law of Peking University and the Executive Master of Business Administration degree (EMBA) of Tsinghua University. From July 1982 to November 1989, Mr. Shi worked for the Transportation Service Department and Plan Department of CAAC. From November 1989 to August 1994, he served as a principal staff member and deputy chief of Enterprise Management Division of Enterprise Management Department of CAAC. From August 1994 to September 1998, he served as the deputy chief and chief of the Enterprise Management Division of System Reform, Regulations and Enterprise Management Department of CAAC. From September 1998 to September 2005, he served as the chief and deputy director of the License Management Division of Transportation Department of CAAC. From September 2005 to September 2009, he served as the deputy director of the Policy and Regulation Department of CAAC. From September 2009 to May 2012, he served as the deputy director and director of the Transportation Department of CAAC. From May 2012 to March 2014, he served as a commissioner of safety supervision of civil aviation of CAAC concurrently. From April 2014 to September 2015, Mr. Shi served as the general manager of the Company.

Ms. Gao Lijia, aged 51, a senior engineer, was appointed as an executive director of the Company on 30 June 2014. Ms. Gao graduated from the Computer Science Department, Beijing University of Aeronautics and Astronautics (BUAA) with a master's degree of engineering. She also has the master's degree of Business Administration from China Europe International Business School. From January 1989 to May 1995, Ms. Gao served at BUAA as deputy director and associate professor of the electronic engineering department. From May 1995 to June 1997, she worked in the electronic communication technology industry. From June 1997 to October 1999, Ms. Gao has been working as manager of Computer Division of Technological Equipment Department and then deputy director of Computer Centre of the Company. From October 1999 to October 2001, Ms. Gao served as the manager of the IT department of the Company. From October 2001 to February 2004, she became the manager of the Planning and Development Department of the Company. From February 2004 to March 2010, she was a deputy general manager of the Company. From March 2010 to April 2014, Ms Gao served as the executive deputy general manager of the Company. Since April 2014, Ms. Gao served as the executive deputy general manager of the Company (general manager level). Ms Gao also serves as a member of Airport Information Technology Standing Committee of ACI.

Non-executive Directors

Mr. Yao Yabo, aged 54, was appointed as a non-executive director of the Company on 15 June 2011 and was reappointed as a non-executive director of the Company on 30 June 2014. He graduated from the Civil Engineering and Architecture Department of Hebei Polytechnic College majoring in civilian construction, and was awarded a Bachelor's degree. Mr. Yao obtained MBA degree from China Europe International Business School. He worked for China Civil Airport Designing Academy from July 1983 to January 1991 and served as senior staff of Human Resources and Labor Division of CAAC, deputy chief and chief of Infrastructure Management Office under Airport Division from January 1991 to September 1998. Mr. Yao served as deputy general manager of China Civil Aviation Engineering Consultancy Company from September 1998 to January 2001, served as deputy general manager and general manager of China Airport Construction Corporation from January 2001 to September 2009 and served as deputy general manager of the Parent Company from September 2009 to May 2015. He concurrently served as executive chief commander of Beijing New Airport Construction Headquarters from December 2010 to May 2015. Since May 2015, he has been the deputy general manager (general manager level) of the Parent Company. Since May 2015, he has concurrently served as chief commander of Beijing New Airport Construction Headquarters.



Report of the Board (Continued)

Mr. Zhang Musheng, aged 58, was appointed as a non-executive director of the Company on 15 June 2011 and was reappointed as a non-executive director of the Company on 30 June 2014. He holds Bachelor's degree in economic management from Party School of the Central Committee. He worked for Beijing Administrative Bureau of CAAC from November 1972 to May 1989, and served as deputy director of Publicity and Education Division, deputy chief and chief of Publicity Department of Beijing Capital International Airport from May 1989 to April 2000. Mr. Zhang was party secretary and deputy general manager of Construction Engineering Investment Company of Capital Airports Holding Company from April 2000 to June 2002, head of CCP working group of Capital Airports Holding Company from June 2002 to January 2003, deputy general manager, general manager, chairman and party secretary of Tianjin Binhai International Airport from January 2003 to December 2005, and assistant to general manager of the Parent Company, and chairman and Party secretary of Beijing Capital Airport Advertising Co., Limited from November 2007 to September 2009. Mr. Zhang has been deputy general manager of the Parent Company since September 2009.

Mr. Ma Zheng, aged 57, was appointed as a non-executive director of the Company on 18 December 2014. Mr. Ma graduated from China University of Political Science and Law majoring in law and also obtained a Master's degree in World Economics from the Party School of the Central Committee of C.P.C.. Mr. Ma worked in Public Security Bureau of CAAC from August 1984 to April 1989. He served as a member at the director level and deputy chief of the Judiciary Division in System Reform, Regulations and Enterprise Management Department of CAAC from April 1989 to September 1998. From September 1998 to June 2000, he served as the deputy director of the Legal System Office under the general office of CAAC. He served as the deputy chief, chief, deputy director and director of the Policy and Regulation Department of CAAC from June 2000 to March 2014. From May 2012 to March 2014, he served as a commissioner of safety supervision of civil aviation of CAAC concurrently. Mr. Ma has been the general legal counsel and chairman of the Labor Union of the Parent Company since March 2014.

Mr. Cheng Chi Ming, Brian, aged 33, was appointed as a non-executive director of the Company on 26 February 2014 and was reappointed as a non-executive Director of the Company on 30 June 2014. Mr. Cheng is an executive director of NWS Holdings Limited ("NWS", a listed public company in Hong Kong) and also a member of the Executive Committee and the Corporate Social Responsibility Committee of NWS. He has been with NWS since January 2008 and is mainly responsible for overseeing the infrastructure business and the merger and acquisition affairs of NWS Group. Mr. Cheng is the Chairman and non-executive director of Integrated Waste Solutions Group Holdings Limited and a non-executive director of Newton Resources Ltd, Haitong International Securities Group Limited and Wai Kee Holdings Limited, all being listed public companies in Hong Kong. He is also a director of Sino-French Holdings (Hong Kong) Limited, the Macao Water Supply Company Limited and a director of a number of companies in Mainland China. Moreover, Mr. Cheng was appointed as a non-executive director of Tharisa plc (its shares are listed on JSE Securities Exchange) 19 December 2014. Before joining NWS, Mr. Cheng had been working as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets. Mr. Cheng holds a Bachelor of Science degree from Babson College in Massachusetts, USA.



Report of the Board (Continued)

Independent Non-executive Directors

Mr. Japhet Sebastian Law, aged 64, Mr. Law was appointed as an independent non-executive director of the Company on 12 June 2008 and was reappointed as an independent non-executive director of the Company on 30 June 2014. Mr. Law graduated from the University of Texas at Austin with Ph.D. in Mechanical/Industrial Engineering in 1976. Mr. Law was a Professor in the Department of Decision Sciences and Managerial Economics of the Chinese University of Hong Kong from 1986 until 2012. He was the Associate Dean and subsequently the Dean of the Faculty of Business Administration of the Chinese University of Hong Kong from 1993 until 2002. Prior to returning to Hong Kong, Mr. Law was the Director of Operations Research at the Cullen College of Engineering and Director of Graduate Studies in Industrial Engineering at the University of Houston, and was also involved with the U. S. Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. Mr. Law has acted as consultants with various corporations in Hong Kong and overseas. He is also active in public services, having served as Member of the Provisional Regional Council of the Hong Kong SAR Government and various other committees, and is also active on the boards of profit, non-profit, and charitable organizations in Hong Kong and overseas. Since 1 May 2006, he has served as an independent non-executive director of Tianjin Port Development Holdings Limited. Mr. Law has been an independent non-executive Director of the Company since 12 June 2008. Since 1 September 2008, Mr. Law has served as an independent non-executive director of Global Digital Creations Holdings Limited. Since 23 March 2009, he has also served as an independent non-executive director of BinHai Investment Company Limited (formerly "Wah Sang Gas Holdings Limited"). Since 18 June 2012, he has served as an independent non-executive director of Regal Hotels International Holdings Limited (listed on the Hong Kong Stock Exchange). Since 13 August 2012, he has also served as an independent non-executive director of Tianjin Binhai Teda Logistics (Group) Corporation Limited (listed on the Hong Kong Stock Exchange). Since 11 August 2013, he has served as an independent non-executive director of Shanghai La Chapelle Fashion Co., Ltd. (listed on the Hong Kong Stock Exchange). Since 1 September 2013, he has served as an independent non-executive director of Shougang Fushan Resources Group Limited (listed on the Hong Kong Stock Exchange).

Mr. Wang Xiaolong, aged 60, Mr. Wang was appointed as an independent non-executive director of the Company on 12 June 2008 and was re-appointed as an independent non-executive Director of the Company on 30 June 2014. He graduated from School of Economics of Peking University with Ph.D. degree. From December 1985 to April 1990, Mr. Wang served as the office director and department director of the Research Institute of China's Economic Reforms in the National Committee of China's Economic Reforms. From April 1990 to March 1994, Mr. Wang served as the deputy director and standing deputy director of Beijing New Technology Industrial Development Zone. From April 1994 to 1997, Mr. Wang served as a director and the deputy general manager of Hong Kong Jing Tai Industrial Corporation. From May 1997 to June 1998, Mr. Wang served as the executive director and vice-president of Hong Kong Beijing Holding Ltd. From June 1998 to December 2015, Mr. Wang served as the deputy chairman of the board and general manager of Beijing International Trust and Investment Co., Ltd.

Mr. Jiang Ruiming, aged 50, was appointed as an independent non-executive director of the Company on 15 June 2011 and was re-appointed as an independent non-executive Director of the Company on 30 June 2014. He graduated from Department of Law of Peking University with a Bachelor's degree. He obtained a MBA degree from Tsinghua SEM. Mr. Jiang had been executive chief editor of China Food Industry Magazine, partner of Beijing Guofang Law Firm, executive partner of Beijing Grandfield Law Offices and a member of 10th and 11th Issuance Examination Commission of CSRC. He is currently an executive partner of Beijing Grandway Law Offices and an independent director of Beijing Chinese All Digital Publishing Co., Ltd.



Report of the Board (Continued)

Mr. Liu Guibin, aged 50, was appointed as an independent non-executive director of the Company on 15 June 2011 and was re-appointed as an independent non-executive Director of the Company on 30 June 2014. He graduated from Zhongnan University of Economics and Law in 1989, is a Certified Public Accountant and one of the first group of senior members (practicing) of CICPA. Mr. Liu is senior partner of Ruihua Certified Public Accountants, in charge of internal training, risk quality control and operation instruction of major projects of the firm. Mr. Liu has served as a CPA for over 20 years and has extensive experience and theoretical knowledge. He is an expert in financial audit and consultancy. Meanwhile, Mr. Liu has accumulated abundant experience in restructuring and listing of enterprises and has profound research and unique point of view in restructuring and listing of enterprises as well as finance and securities. He also serves as a member of Professional Ethics Committee of CICPA and member of Beijing Institute of Certified Public Accountants. Since June 2015, Mr. Liu has also been an independent director of Shaanxi Qinling Cement Co., Ltd. (listed on the SSE).

Members of the Supervisory Committee

Mr. Liu Yanbin, aged 61, was appointed as a supervisor of the Company on 15 June 2011 and was re-appointed as a supervisor of the Company on 30 June 2014. He holds Master's degree in economic management from Party School of the Central Committee. Mr. Liu served as secretary, deputy chief and chief of secretary department of CAAC office, office director, deputy director and director of execution department of CAAC from April 1984 to October 2008, and as deputy party secretary of the Parent Company and party secretary of the Company from October 2008 to March 2010. He served as the party secretary of the Parent Company from March 2010 to May 2015.

Mr. Song Shengli, aged 54, was appointed as a supervisor of the Company on 30 June 2014. Mr. Song graduated from Southwest University of Political Science and Law with a bachelor's degree in criminal investigation. Mr. Song worked as a cadre of the Public Security Bureau and general office of CAAC from July 1984 to October 1994. From October 1994 to October 2001, he served as the deputy director and director of the Secretariat under the general office of CAAC; from October 2001 to March 2008, as a full-time deputy director of the Leading Group Office for National Hijackings and the general captain of the Aircop Corps of CAAC. From March 2008 to December 2008, Mr. Song served as the director and party secretary of the Public Security Bureau, and the general captain and party secretary of the Aircop Corps of CAAC. From December 2008 to September 2009, he served as the director and party secretary of the Public Security Bureau, and the party secretary of the Aircop Corps of CAAC. From September 2009 to March 2014, he served as the director and party secretary of the Public Security Bureau, and the party secretary of the Aircop Corps of CAAC. From March 2014 to May 2015, Mr. Song served as the party secretary of the Company. He has been the party secretary and the deputy general manager of the Parent Company since May 2015.

Ms. Li Xiaomei, aged 56, an economist, was appointed as a supervisor of the Company since March 2003, re-appointed as a supervisor of the Company on 30 June 2014 and resigned as a supervisor of the Company on 18 March 2015. Ms. Li graduated from Cheung Kong Graduate School of Business with a degree of Executive Master of Business Administration (EMBA). She has over 20 years of experience in labour economics and human resources. From 1994 to 2000, she was the deputy director of the Beijing Capital Airport's human resources division and the human resources manager of the Company from January 2000 to January 2003. From January 2003 to March 2010, she has been the vice party secretary, the general secretary of the disciplinary committee and chairman of labor union of the Company. Ms. Li was the party secretary of the Company from March 2010 to March 2014. She has been the vice secretary general (full time) of China Civil Airports Association since April 2014.



Report of the Board (Continued)

Mr. Deng Xianshan, aged 50, was appointed as a supervisor of the Company on 6 June 2012 and was reappointed as a supervisor of the Company on 30 June 2014. Mr. Deng graduated from the Department of History of Xiangtan University and was awarded an EMBA from Cheung Kong Graduate School of Business. Mr. Deng served as a lecturer for School of Textile Science and Technology of Beijing Union University from June 1990 to December 1994; the officer the Publicity Department of Beijing Capital International Airport from January 1995 to November 1995; the director of the Party Office of Beijing Airport Inflight Kitchen Ltd. from November 1995 to May 1998; the deputy director of the Publicity Department of Beijing Capital International Airport from May 1998 to November 1999; manager of the Administrative Management Division of the Company from November 1999 to November 2000; general manager, deputy party secretary and director of Beijing Airport Inflight Kitchen Ltd. from December 2001 to January 2009; deputy general manager and deputy party secretary of Jiangxi Airports Group Company from January 2009 to March 2012; deputy party secretary and the general secretary of the Disciplinary Committee of the Company from March 2012. He has been the chairman of the Labour Union of the Company since June 2012.

Mr. Dong Ansheng, aged 64, was appointed as a supervisor of the Company on 15 June 2011 and was reappointed as a supervisor of the Company on 30 June 2014. Mr. Dong was appointed as an independent non-executive director from December 2007 to June 2011. Mr. Dong graduated from the Law School of Renmin University of China with J.D. degree. Mr. Dong is a professor and PHD Supervisor of the School of Laws of Renmin University of China, and serves as the deputy director of Research Center of Civil and Commercial Law of the Renmin University of China. Mr. Dong currently serves as deputy master of China Securities Law Society and directorates in several Law Societies. Mr. Dong also participates in the legislation of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other related rules and regulations on governing securities. Since 1992, Mr. Dong has long term studies on the companies' laws and securities laws. He had served as PRC legal advisor on the issue of shares, merger and acquisition and other listing matters of more than 40 listed A shares companies, several listed B shares companies and listed H companies and other listed companies in Hong Kong. Mr. Dong is also serving as an independent director of Beijing Wangfujing Department Store (Group) Co., Ltd. (listed on the Shanghai Stock Exchange), Tongyu Heavy Industry Co., Ltd. (listed on the Shenzhen Stock Exchange) and Wasu Media Holding Co., Ltd. (listed on the ChiNext of the Shenzhen Stock Exchange). He is also an independent non-executive director of Ping An Securities Group (Holdings) Limited (listed on the Hong Kong Stock Exchange, formerly known as Madex International (Holdings) Limited and renamed in January 2016).

Mr. Lau Siu Ki, aged 57, was appointed as a supervisor of the Company on 30 June 2014. Mr. Lau graduated from Hong Kong Polytechnic in 1981. He is currently a financial advisory consultant of his management consultancy firm, Hin Yan Consultants Limited. Previously, Mr. Lau worked at Ernst & Young for over 15 years. He has over 30 years of experience in corporate financing, financial advisory and management, accounting and audit. Mr. Lau is currently a member of both the Association of Chartered Certified Accountants ("ACCA") and Hong Kong Institute of Certified Public Accountants. Mr. Lau was a member of the World Council of ACCA from 2002 to 2011 and was the chairman of ACCA Hong Kong in 2000/2001. During this year, he has helped raising the profile of ACCA. Mr. Lau also serves as an independent non-executive director of Binhai Investment Company Limited, China Medical & HealthCare Group Limited (formerly known as COL Capital Limited and renamed in February 2016), Comba Telecom Systems Holdings Limited, Embry Holdings Limited, Samson Holding Ltd., TCL Communication Technology Holdings Limited and FIH Mobile Limited, all being listed companies on the Stock Exchange. He is also the company secretary of Hung Fook Tong Group Holdings Limited and Yeebo (International Holdings) Limited. From March 2015 to March 2016, Mr. Lau served as an independent non-executive director of UKF (Holdings) Limited.



Report of the Board (Continued)

Mr. Chang Jun, aged 39, was appointed as supervisor of the Company on 6 June 2012 and was reappointed as a supervisor of the Company on 30 June 2014. Mr. Chang graduated from the Civil Aviation Institute of China, majored in air traffic control, and also had an MBA degree of School of Economics and Management, Beijing University of Aeronautics and Astronautics. From July 1999 to October 2002, Mr. Chang served as a seat allocation officer of Operation Management Department, commander and coordinator, and airfield business assistant. From October 2002 to July 2006, he worked as a secretarial assistant of Personnel Administration Department of the Company. From July 2006 to October 2009, he served as a duty manager of the Operational Control Centre of the Company. From October 2009 to May 2011, he worked as a deputy manager of the Operational Control Centre of the Company. He has served as deputy head of Working Group of the Party and director of the Labour Union Office of the Company since May 2011.

Save and except for the relationships as stated above, none of the directors or the supervisors of the Company has any relationship with other directors, senior management, substantial shareholders or controlling shareholder of the Company, nor has any interest in the shares of the Company within the meaning of Part XV of the SFO.

Other Senior Management

Mr. Han Zhiliang, aged 51, a senior economist, was appointed as the General Manager of the Company on 22 March 2016. He obtained a Bachelor's degree in History from Inner Mongolia University and a Master's degree in Management Science and Engineering from Chinese Academy of Agricultural Sciences. From July 1986 to December 2003, Mr. Han successively served as officer of Political Division, deputy director of Political Division, deputy chief of Personnel and Labour Division and chief of Personnel and Labour Division of Inner Mongolia Bureau under Civil Aviation Administration of China; from December 2003 to March 2004, he served as the chief of Human Resources and Education Division of Inner Mongolia Airports Group Company Limited. He served as the vice general manager and a member of the Party committee of Inner Mongolia Airport Group Company Limited from March 2004 to February 2006, and then as a director, the general manager and deputy Party secretary of the same company, and subsequently as the general manager and deputy Party secretary of the same company from February 2006 to July 2009. From July 2009 to April 2015, he served as the general manager, a member of the Party committee and the deputy secretary of the Party committee of Hubei Airports Holding Company (from June 2014 to April 2015, he concurrently held such positions). He has been the vice general manager and a member of the Party committee of the Parent Company since June 2014; he has been the general manager and deputy party secretary of the Company since 22 March 2016.

Mr. Zhang Wei, aged 50, was re-appointed as the deputy general manager of the Company in June 2014. Mr. Zhang is an engineer, holds the bachelor's degree in environmental monitoring from the Environment & Chemistry Department of Beijing University of Technology, and the master's degree in agriculture extension from Beijing Forestry University. Mr. Zhang successively served as chief of the Environmental Protection & Greening Section, supervisor of the Greening Team under the Airport Management Department, and vice manager of the Greening Team under the Airport Management Department and manager of the Administrative Management Division of the Company from July 1988 to June 2003; and as general manager, chairman and party secretary of Beijing Capital Airport Food Management Company Limited from June 2003 to January 2009; as deputy party secretary, secretary of the Disciplinary Committee, chairman of the labor union of Chongqing Airports Group Company from January 2009 to June 2010, and as deputy general manager and deputy party secretary of Chongqing Airports Group Company from June 2010 to March 2012. He has been the deputy general manager and member of Party committee of the Company since March 2012.



Report of the Board (Continued)

Mr. Wang Weiyu, aged 52, was appointed as the deputy general manager of the Company in April 2015. Mr. Wang obtained a bachelor's degree in political education from Beijing Normal University and an EMBA degree from the City University of Hong Kong. Mr. Wang taught at the high school affiliated to Beijing Normal University from July 1985 to April 1996 and worked at the Expansion Headquarters of the Capital Airport from April 1996 to May 2000. He successively served as the office director, assistant to office manager, manager of Quality & Security Department and the Party secretary of aviation safety and security department of the Company from May 2000 to January 2006; as the general manager, chairman and Party secretary of Capital Airport Aviation Security Co., Ltd. from January 2006 to March 2008; as president of the School of Management of Capital Airport from March 2008 to June 2009; as the deputy general manager and a member of Party committee of Heilongjiang Airports Management Group Co., Ltd. from June 2009 to June 2010; as the deputy general manager and deputy Party secretary of Heilongjiang Airports Management Group Co., Ltd. from June 2010 to April 2012; and as the Party secretary and deputy general manager of Heilongjiang Airports Management Group Co., Ltd. from April 2012 to April 2015. He has been the deputy general manager and a member of Party committee of the Company since April 2015.

Mr. Du Qiang, aged 46, was appointed as the deputy general manager of the Company in April 2015. Mr. Du graduated from the School of Economics and Management of Inner Mongolia University majoring in economics, and holds the master's degree from the University of International Business and Economics. He served as assistant at the deputy chief level of the Transportation Services Department of Inner Mongolia Bureau, Civil Aviation Administration of China; chief of the Transportation Section; assistant, deputy secretary, vice manager and manager of the Transportation Services Department, and chief of the Marketing Section; and vice general manager and a member of the party committee of Inner Mongolia Airports Group Company. From January 2009 to July 2011, Mr. Du served as director, general manager and deputy party secretary of Beijing Aviation Ground Services Company Limited. From July 2011 to April 2015, he served as director of operations and a member of the party committee of the Company and concurrently as general manager, Party secretary and deputy Party secretary of Capital Airport Aviation Security Co., Ltd. He has served as the deputy general manager and a member of Party committee of the Company since April 2015.

Mr. Liu Renjie, aged 54, was re-appointed as the director of operations of the Company in June 2014. Mr. Liu holds the master's degree in management from Harbin University of Science and Technology. From October 1993 to December 2003, he worked for Heilongjiang Bureau, Civil Aviation Administration of China in a range of positions: member at the deputy head level of the Communications Section under the Political Department; deputy director and director of the Organization Department of the Party Committee; party secretary of Security Inspection Department; party secretary of the On-site Command Center; head of the organization department under the Party Committee; a standing member of the Party Committee and secretary of the Discipline Inspection Commission. From December 2003 to May 2010, he worked for Heilongjiang Airports Management Group Co., Ltd. as vice general manager and party committee member. He has concurrently served as general manager of Beijing Bowei Airport Support Limited since April 2010. He has been the director of operations of the Company since May 2010 and a member of the party committee of the Company since March 2014.

Mr. Wen Wu, aged 40, was re-appointed as the director of operations of the Company in June 2014. Mr. Wen graduated from Civil Aviation Flight University of China with a degree in air control. Mr. Wen also holds EMBA degree from the City University of Hong Kong. From 1998 to January 2006, he worked for the Company in a variety of positions: commander of the External Command Center, Operation Management Division; head of the Operation Monitoring & Command Center, Operation Management Division; manager of the Operation Monitoring & Command Center, Operation Management Division; and responsible person of the Operation Monitoring & Command Center. From January 2006 to January 2010, he worked as the manager of the Operation Monitoring & Command Center. Since January 2010, he has been the director of operations of the Company. From March 2012 to March 2014, he concurrently served as the general manager of the Flying Area Management Division of the Company. He has served as a member of the party committee of the Company since March 2014.



Report of the Board (Continued)

Ms. Hao Ling, aged 42, was re-appointed as the director of services of the Company in June 2014. Ms. Hao graduated from Renmin University of China with the bachelor's degree in history. Ms. Hao also holds the EMBA degree from Tsinghua University. From August 1996 to June 2009, she worked for the Company in a variety of positions: vice manager of the Terminal Area Sub-division under the Operation Management Division; assistant manager of Terminal Building West Area Management Department; manager of the Party-Masses Work Department; and party secretary and vice manager of the Terminal Building East Area Management Department. From June 2009 to January 2010, she worked as the manager of BCIA Quality & Security Department. Since January 2010, she has been the director of services of the Company. From March 2012 to March 2014, she concurrently served as the general manager of the Terminal Building Management Division of the Company. She has served as a member of the party committee of the Company since March 2014.

Mr. Kong Yue, aged 49, was re-appointed as the director of commerce of the Company in June 2014. Mr. Kong holds the MBA degree from Guanghua School of Management, Peking University. From July 1988 to December 2000, he worked as chief of International Office of the Company. From December 2000 to January 2008, he served as assistant to the manager of Planning & Development Division of the Company; manager of the Business Sub-division Operation Management Division of the Company; manager of the Operation Management Division of the Company; manager of the Aviation Business Division of the Company; manager of the Marketing Division of the Company; and manager of the Planning & Development Division of the Company. Since January 2010, he has been the director of commerce of the Company. From March 2012 to March 2014, he concurrently served as the general manager of the Public Area Management Department of the Company.

Mr. Ma Yin, aged 42, was re-appointed as the director of business of the Company in June 2014 and resigned as the director of business in November 2015. Mr. Ma graduated from the Automation Department of Shanghai Jiaotong University with the bachelor's degree in engineering. Mr. Ma also holds the master's degree in traffic engineering from the Civil Aviation University of China. From August 1996 to October 1999, he worked as assistant engineer of Emergency Rescue & Command Office of the Company, and deputy director of the Terminal Area Monitoring & Command Center of the Company. From October 1999 to March 2007, he worked for the Company in a range of positions: deputy director of the Terminal Area Monitoring & Command Center under the Operation Management Division; director of the Integrated Services Office; supervisor of aviation affairs; vice manager of the Business Sub-division, Operation Management Division; vice manager of the Operation Monitoring & Command Center; assistant to the manager of the Property Management Division; and manager of the Technical Procurement Division. From March 2007 to May 2010, he has worked as the manager of Terminal Building West Area Management Division of the Company. From May 2010 to November 2015, he served as the director of business of the Company. From March 2012 to March 2014, he concurrently served as the general manager of the Operational Control Centre of the Company.

Mr. Zhu Wenxin, aged 42, was re-appointed as the director of business of the Company in June 2014. Mr. Zhu graduated from the College of Automation, Beijing Union University, with a bachelor's degree in engineering. Mr. Zhu also holds the MBA degree from the City University of Hong Kong. From 1997 to 2000, he served as supervisor of Shipping Department and Personnel Administration Department of Beijing Aviation Ground Services Company Limited. From 2000 to 2007, he served as office supervisor of the Company, vice manager of the domestic stores of BACT, manager of the Terminal Building Sub-division of the Company, Manager of the Management Division of the Terminal one and manager of the Quality & Security Division of the Company. From 2008 to 2010, he served as manager of the Public Area Management Department of the Company. He has been the director of business of the Company since May 2010.



Report of the Board (Continued)

Mr. Shu Yong, aged 43, was re-appointed as the secretary of the Board on 30 June 2014. He graduated from the Law Department of Peking University with a bachelor degree in laws with double majors in economic laws and international economic laws. He also obtained the Executive Master of Business Administration degree (EMBA) from Faculty of Business of the City University of Hong Kong. Mr. Shu worked in the planning and operating division and then the corporate office of the Beijing Capital Airport from August 1996 to October 1999. From October 1999 to January 2003, he was the legal affairs manager of the securities department and subsequently the manager of the Secretariat to the Board. From May 2003 to May 2004, Mr. Shu was the manager assistant and acted as the manager of Planning and Development Department of the Company from May 2004 to April 2006. From May 2010 to July 2011, Mr. Shu was the manager of Legal Department. He has been the secretary of the Board since January 2003.

The information of directors required to be disclosed under Rule 13.51B(1) were already set out in the profiles of the directors above.

The details of emoluments of directors and supervisors mentioned above are set out in Note 31 to the Financial Statements.

During the years ended 31 December 2015 and 2014, the annual emoluments of each of the senior management paid by the Company were below HKD1,000,000 (approximately equivalent to RMB837,780) individually.

By order of the Board

Liu Xuesong

Chairman

Beijing, the PRC, 22 March 2016



Management Discussion and Analysis

OVERVIEW

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

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

OVERVIEW OF AERONAUTICAL BUSINESS

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

Detailed information is set out in the table below:

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



Management Discussion and Analysis (Continued)

AERONAUTICAL REVENUES

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

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

OVERVIEW OF NON-AERONAUTICAL BUSINESS

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

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

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



Management Discussion and Analysis (Continued)

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

NON-AERONAUTICAL REVENUES

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

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



Management Discussion and Analysis (Continued)

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

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

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

OPERATING EXPENSES

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

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

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

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

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



Management Discussion and Analysis (Continued)

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

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

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

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

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

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

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

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

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

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

In 2015, the net finance costs after deducting finance income of the Company were RMB613,965,000, representing an increase of 13.9% as compared with the previous year, which was mainly due to the considerable exchange losses on the liabilities denominated in US dollar as a result of the significant depreciation in RMB against US dollars in 2015. (For details please refer to the section headed "Exposure to Fluctuations in Exchange Rates".)

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



Management Discussion and Analysis (Continued)

PROFIT FOR THE YEAR

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

DIVIDEND

The Board proposed to distribute the final dividend of RMB0.0943 per share for 2015, totally amounting to approximately RMB408,403,000 ^(Note) (2014: RMB353,401,000). Such proposal shall be subject to the approval by the shareholders at the 2015 annual general meeting ("AGM") of the Company. The details of the payment of the final dividend will be set out in the notice of AGM to be issued by the Company in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

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

There was no arrangement under which any shareholder of the Company has waived or agreed to waive any dividend during the year ended 31 December 2015.

Note: Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" and the "Rules for the Implementation of the Enterprise Income Tax Law of the People's Republic of China", both implemented in 2008, and the "Notice of Withholding and Payment of Enterprise Income Tax Regarding China Resident Enterprise Paying Dividend to Non-Resident Enterprise Holders of Overseas H-Share" (GSH[2008] No. 897) issued by China's State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% when distributing the 2015 final dividend to the non-resident enterprise H share shareholders whose names appear on the register of members for H shares of the Company on the relevant record date (the "Record Date") to be announced by the Company in accordance with the requirements of the Listing Rules. For the holders of the H shares (the "H Shareholders") who are registered in the name of non-natural person registered shareholders (including HKSCC (Nominees) Limited, other corporate nominees, trustees, or other organisations or groups which shall be treated as "non-resident enterprises" shareholders) on the register of members for H shares of the Company on the Record Date, the Company will distribute the 2015 final dividend, after withholding and paying enterprise income tax of 10%.

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

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



Management Discussion and Analysis (Continued)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

According to the overall plan of the acquisition of the Phase III Assets ^(Note), the Company assumed the US dollar-denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 31 December 2015. Therefore, the fluctuation of RMB exchange rate against the US dollar will affect the financial results of the Company.

Note: In 2008, the Company acquired the airfield assets (including runway, taxiways, aprons, road non-asphalt layers, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport ("T3") and relevant facilities, roads within the airport area, the driverless electric train system, commercial areas and other relevant facilities and equipment, and the land use rights of the land on which T3 and other related buildings are situated (collectively the "Phase III Assets").

As at 31 December 2015, the assets and liabilities of the Company denominated in USD included cash and cash equivalents of approximately RMB49,045,000 (2014: RMB92,691,000), trade and other receivables of approximately RMB112,000 (2014: RMB3,485,000), trade and other payables of approximately RMB10,061,000 (2014: RMB5,502,000), and loans from the Parent Company of approximately RMB2,315,831,000 (2014: RMB2,332,736,000). During 2015, the Company recorded a net exchange loss of RMB135,353,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the non-current portion and current portion of the Company's loans from the Parent Company was RMB2,815,831,000, which included the borrowings from the European Investment Bank which was assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4% and the corporate bonds from the Parent Company at an interest rate with reference to interbank repo rate announced by China Foreign Exchange Trading Centre and National Interbank Funding Centre. The total amount of the non-current and current portion of the Company's long-term borrowings was RMB3,870,000,000, and their interest rates were referenced to the benchmark rate announced by the People's Bank of China. As such, any change in LIBOR and interest rates of People's Bank of China will affect the interest expenses and financial results of the Company.

CONTINGENT LIABILITIES

As at 31 December 2015, the Company had no significant contingent liabilities.



Management Discussion and Analysis (Continued)

LIQUIDITY AND FINANCIAL RESOURCES

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

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

As at 31 December 2015, the Company's short-term borrowings were RMB2,000,000,000, the long-term borrowings which would be matured within one year were RMB1,985,000,000, the non-current portion of the long-term borrowings were RMB1,885,000,000 and the loans from the Parent Company were RMB2,815,831,000. As at the date of this report, the Company is in the course of negotiation with the relevant financial institutions about the renewal of the borrowings. It is expected that the renewal will be proceeded smoothly and will not cause any significant impact on the financial position of the Company.

As at 31 December 2015, the current ratio of the Company was 0.48, and as at 31 December 2014 the current ratio of the Company was 0.55. Such ratio was computed by dividing the amount of the total current assets by the amount of the total current liabilities as at those respective dates.

As at 31 December 2015, the liability-to-asset ratio of the Company was 44.12%, and as at 31 December 2014, the liability-to-asset ratio of the Company was 46.09%. Such ratios were computed by dividing the total amount of liabilities by the amount of total assets as at those respective dates.

w

As at 31 December 2015, the capital and reserves of the Company was RMB18,268,990,000 and as at 31 December 2014, the capital and reserves of the Company was RMB17,202,369,000.

EMPLOYEES AND EMPLOYEE WELFARE

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

	2015	2014
Total employees	1,641	1,683

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



Management Discussion and Analysis (Continued)

With the focus placed on safety management, service enhancement, construction of a large international hub, improvement of the efficiency of operating resources and construction of a smart airport, the Company carried out trainings of different levels and types in terms of comprehensive quality of management team and post competence of grass-roots employees. The Company's training system has reasonable procedures and implements a strict approval system. The trainings with a wide coverage are close to the front line and have a high degree of participation by employees.

2. Employees' basic medical insurance and commercial medical insurance

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

In addition, the Company may on a voluntary basis provide supplemental medical insurance benefits to its employees with an amount within 4% of the average monthly salaries of its employees in the previous year. Meanwhile, the Company no longer pays medical subsidies or medical compensations in cash to its employees. As such, the implementation of the aforesaid basic medical insurance regulations did not have any material impact on the balance sheet or statement of comprehensive income of the Company.

3. Employees' Pension scheme

In 2011, the Company implemented enterprise pension scheme in accordance with relevant national policies. Pursuant to the enterprise pension scheme, the Company and employees who are engaged in the scheme shall deposit enterprise pension at a certain proportion into the enterprise pension account. The details of the employees' pension scheme are set out in Note 2(q) to the Financial Statements.

CAPITAL EXPENDITURE

The details of the capital commitments of the Company are set out in Note 28 to the Financial Statements.

CHARGE ON ASSETS

During the year ended 31 December 2015, there were no assets charged or pledged by the Company.



Corporate Governance Report

The Company is well aware that good corporate governance is an important prerequisite for sustainable development, continuous improvement of the Company's value and safeguarding shareholders' rights and interests. During the reporting period, the Company adhered to good and prudent governance style and continuously improved corporate governance level to achieve efficient management and standardized operation.

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

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

In respect of Code Provision A.2.1 of the Code, since the general manager (who performed duties of the chief executive) of the Company resigned in September 2015, his work and duties have been temporarily taken up by the Chairman (who performs duties of the chairman of the Board) of the Company. During the relevant acting period, the Company has expanded the authorizations granted by the Chairman to the management members, extended the scope of the management meeting and increased the frequency of such meeting, so to avoid the excessive concentration of power of the Chairman when he performs his duties as the Chairman and the acting general manager. At the same time, the Company was proactively looking for suitable candidate to act as the general manager before the appointment of a new general manager. A new general manager has been appointed on 22 March 2016 (for details in relation to appointment of the new general manager, please refer to the announcement published by the Company on 22 March 2016).

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

CORPORATE GOVERNANCE PRACTICES

All members of the Board responsible for the corporate governance function, including:

- (a) to formulate and review the corporate governance policy and practices of the Company and give suggestions to the Board;
- (b) to review and monitor the training and continuous professional development of directors and senior management;



Corporate Governance Report (Continued)

- (c) to review and monitor the Company's policy and practices in relation to compliance with laws and regulations;
- (d) to formulate review and monitor the code of conduct and compliance handbook (if any) for employees and directors; and
- (e) to review the compliance of the Company with the Code and relevant disclosure in the Corporate Governance Report.

THE SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted "the Code for Securities Transaction by Directors and Staff" to regulate the securities transaction by directors. The Standard of the Code is no less exacting than the required standard of the Model Code.

Having made specific enquiry on all directors of the Company, the Company has confirmed that each of its directors has complied with the Model Code and the required standard set out in "the Code for Securities Transaction by Directors and Staff" adopted by the Company throughout the year ended 31 December 2015.

BOARD OF DIRECTORS

Composition and Term of Office

As at 31 December 2015, the sixth session of the Board consists of ten directors, including two executive directors, four non-executive directors and four independent non-executive directors. In line with the Listing Rules, the Company has no less than three independent non-executive directors, representing at least one third of the members of the Board, at least one of whom has the appropriate professional qualifications or expertise in accounting or related financial management. The sixth session of the Board was established on 30 June 2014. Except for one director who was additionally appointed on the extraordinary general meeting on 18 December 2014, the other directors were elected by the Company's shareholders at the 2013 AGM. Except for one director who resigned on 17 September 2015 thus terminating his term of office, the term of office of all the rest directors (including non-executive directors) will end on the date of convening the 2016 AGM. The composition and changes of directors, the list of directors and their respective biographies are set out in the Report of the Board in this annual report.

The members of the Board know their own obligations and responsibilities very well, and treat all shareholders equally without discrimination. In order to make sure that the interests of all investors are protected properly, the members of the Board are provided with the documents and materials in connection with the Company's operations in a timely manner. The independent non-executive directors have performed their responsibilities in accordance with the relevant laws, rules and regulations, safeguarding the rights of the Company and all its shareholders. The Company has received the confirmation of independence from all independent non-executive directors pursuant to Rule 3.13 of the Listing Rules.



Corporate Governance Report (Continued)

Duties and Operation

According to the Articles of Association of the Company, the Board has been elected by and reported to the shareholders at the AGM, and has made decisions on the business development plans and investment policies, while the general manager shall be responsible for the daily operation and internal management.

Pursuant to the Articles of Association of the Company or as authorized by the general meeting, the following important decisions are made by the Board: to determine the business plans and investment proposals; to prepare the annual financial budgets and final accounts; to prepare the plans for profit distribution and plans for making up losses; to formulate the Company's borrowing and financial policies, proposals for the increase in and reduction of registered capital and the issue of bonds of the Company; to formulate proposals for major acquisitions or disposals and for the merger, division and dissolution of the Company; to determine the internal management structure and other important duties.

The Board and its members have carried out the corporate governance earnestly, and all the directors have, with due diligence, attended the Board meetings, performed their duties, committed themselves to the overall interests of the Company and its shareholders.

Board Meetings

Board Meetings shall be held at least four times a year and convened by the chairman. Notice of a Board meeting shall be served on all directors at least 14 days prior to the meeting. In case of any emergency, an interim Board meeting may be held with the proposal by no less than one-third of the directors or the general manager of the Company.

In 2015, the Board held seven meetings (of which four were held by way of circulating written documents) to discuss and determine the strategic development, major operational matters, financial affairs and other matters of the Company set out in the Articles of Association of the Company.



Corporate Governance Report (Continued)

Records of the directors' attendance at General Meetings and Board meetings in 2015 are as follows:

		General Meetings Attendance rate Number of the meeting attended/ number of meetings held	Board Meetings Attendance rate Number of the meeting attended/ number of meetings held
Liu Xuesong	Chairman, executive director	1/1	7/7
Shi Boli	General manager, executive director (resigned on 17 September 2015) (<i>note 1</i>)	1/1	4/4
Gao Lijia	Executive director	1/1	7/7
Yao Yabo	Non-executive director	0/1	6/7
Zhang Musheng	Non-executive director	1/1	5/7
Ma Zheng	Non-executive director	1/1	7/7
Cheng Chi Ming, Brian	Non-executive director	1/1	7/7
Japhet Sebastian Law	Independent non-executive director	0/1	7/7
Wang Xiaolong	Independent non-executive director	1/1	7/7
Jiang Ruiming	Independent non-executive director	1/1	7/7
Liu Guibin	Independent non-executive director	1/1	6/7

Note 1: As Mr. Shi Boli resigned as an executive Director and general manager of the Company on 17 September 2015, he did not attend the Board meetings held on the date of his resignation and thereafter.

Chairman and General Manager

For the year ended 31 December 2015 and during the period up to the date of publication of this annual report, Mr. Liu Xuesong, an executive director of the Company, holds the positions of Chairman. As Mr. Shi Boli resigned from his position of General Manager on 17 September 2015, Mr. Liu Xuesong also temporarily took up the work and duties of the general manager thereafter. The Company has appointed Mr. Han Zhiliang as the general manager on 22 March 2016. The chairman's responsibilities are to convene the Board meetings and promote the corporate governance of the Company, while the general manager is responsible for taking part in the critical decision-making as part of the Board and taking charge of the daily operation of the Company. Their duties and responsibilities are clearly separated. The governance structure of the Company features the clearly defined rights and responsibilities and expresses division of work, with each one performing his own duties.

Insurance Arrangement

According to the provision A.1.8 of the Code, an issuer shall arrange appropriate insurance in respect of any legal action that may be threatened against its directors. The Company has arranged liability insurance for its directors, supervisors and other senior executives.



Corporate Governance Report (Continued)

Training

The Company provided all members of the Board with monthly updates on the Company's operation, financial conditions, prospect and relevant market and regulation dynamics.

The Company also encouraged the Board to participate in the continuous professional development program to improve and upgrade their knowledge and skills. The Company also organized relevant trainings to ensure directors had comprehensive information and proper expertise to make contribution to the Board. The Company kept training records to help directors record the training courses they had attended, and required directors to submit relevant training records to the Company each year.

During the year ended 31 December 2015, the records of training received by directors of the Company are summarized as follows:

	Corporate Governance	Regulatory rules	Operation and management	Other relevant trainings
Executive directors				
Mr. Liu Xuesong	✓	✓	✓	✓
Mr. Shi Boli (<i>note 1</i>)	✓	✓	✓	✓
Ms. Gao Lijia	✓	✓	✓	✓
Non-executive directors				
Mr. Yao Yabo	✓	✓	✓	✓
Mr. Zhang Musheng	✓	✓	✓	✓
Mr. Ma Zheng	✓	✓	✓	✓
Mr. Cheng Chi Ming, Brian	✓	✓	✓	✓
Independent non-executive directors				
Mr. Japhet Sebastian Law	✓	✓	✓	✓
Mr. Wang Xiaolong	✓	✓	✓	✓
Mr. Jiang Ruiming	✓	✓	✓	✓
Mr. Liu Guibin	✓	✓	✓	✓

Note: The forms of training include participation in training courses, participation in seminars, attending lectures, delivering speeches, writing articles, reading materials, etc.

Note 1: Mr. Shi Boli resigned as an executive Director and general manager on 17 September 2015.



Corporate Governance Report (Continued)

COMMITTEE OF THE BOARD

The Remuneration and Evaluation Committee

Composition and Term of Office

The Remuneration and Evaluation Committee of the Company (the “Remuneration and Evaluation Committee”) was established on 2 June 2005. On 30 June 2014, the sixth session of the Board re-appointed the members of the Remuneration and Evaluation Committee with their term of office to end on the day of convening of the 2016 AGM. At present, the Remuneration and Evaluation Committee is comprised of six members including four independent non-executive directors, one non-executive director and one executive director, namely, Mr. Japhet Sebastian Law (chairman of the Remuneration and Examination Committee), Mr. Wang Xiaolong, Mr. Jiang Ruiming, Mr. Liu Guibin, Mr. Zhang Musheng and Ms. Gao Lijia.

Duties

The main duties, roles and function of the Remuneration and Evaluation Committee are set out as follows:

- (i) To establish a remuneration plan or scheme, which should include benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment, for directors and senior management, based on and considering the main scope of the management post of directors and senior management, duties, time commitment, importance, salaries paid by comparable companies to comparable posts and employment terms of other posts in the Company, and to make recommendations to the Board;
- (ii) To review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- (iii) To review the performance of duties of directors (including independent non-executive directors) and senior management and to make their annual performance evaluation;
- (iv) To monitor the implementation of the remuneration system of the Company;
- (v) To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with the relevant contractual terms and that such compensation is otherwise fair and reasonable and not excessive for the Company;
- (vi) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with the relevant contractual terms and are otherwise reasonable and appropriate;
- (vii) To make recommendations to the Board on the Company’s policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;



Corporate Governance Report (Continued)

- (viii) To make recommendations to the Board on the remuneration of non-executive directors;
- (ix) To ensure that no director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration; and
- (x) To be responsible for other matters delegated by the Board.

The Remuneration and Evaluation Committee has been provided with sufficient resources to perform its duties and responsibilities.

Directors' Remuneration Policy

The Company determines the remuneration of each of the Directors with reference to their duties, responsibilities and the current market conditions.

Meetings

The Remuneration and Evaluation Committee did not convene any meeting during the reporting period.

The Nomination Committee

Composition and Term of Office

The Nomination Committee of the Company (the "Nomination Committee") was established on 26 March 2007. On 30 June 2014, the sixth session of the Board re-appointed the members of the Nomination Committee with their term of office to end on the day of convening of the 2016 AGM. At present, the Nomination Committee is comprised of five members, including four independent non-executive directors and one executive director, namely, Mr. Jiang Ruiming (chairman of the Nomination Committee), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong, Mr. Liu Guibin and Mr. Liu Xuesong.

Duties

The main duties, roles and function of the Nomination Committee are set out as follows:

- (i) To make recommendations to the Board on the size and composition of the Board according to the business condition and the scale of assets and shareholding structure of the Company;
- (ii) To consider the standards and procedures of selection of directors and senior management of the Company and make recommendations to the Board;
- (iii) To review the qualifications of the candidates of directors and senior management and make recommendations;
- (iv) To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;



Corporate Governance Report (Continued)

- (v) To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (vi) To assess the independence of the independent non-executive directors;
- (vii) To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the general manager; and
- (viii) To be responsible for other matters delegated by the Board.

The Company has adopted a board diversity policy, summary of which are set out as follows:

Vision

The Company recognises and embraces the benefits of having a diverse Board members to enhance the quality of its performance.

Policy Statement

- (i) The Company sees that an increasing level of diversity of the Board as an essential element contributing to the sustainable development of the Company. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- (ii) All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

- (i) Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service;
- (ii) The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Monitoring and Reporting

The Nomination Committee will report annually, in the corporate governance report, on the Board's composition under diversified perspectives and monitor the implementation of this policy.

Review of this Policy

The Nomination Committee will review this policy, as appropriate, to ensure the effectiveness of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.



Corporate Governance Report (Continued)

Meetings

The Nomination Committee held one meeting during the reporting period. By combining the Listing Rules, the committee members examined the structure and composition of the Board and expressed their opinions in respect of the resignation of Mr. Shi Boli, a former executive director and general manager of the Company.

The records of attendance of the members of the Nomination Committee are as follows:

Members	Attendance rate Number of meetings attended/number of meetings held
Jiang Ruiming (<i>Chairman</i>)	1/1
Japhet Sebastian Law	1/1
Wang Xiaolong	1/1
Liu Guibin	1/1
Liu Xuesong	1/1
Shi Boli (<i>note 1</i>)	0/0

Note 1: As Mr. Shi Boli resigned as an executive Director and general manager on 17 September 2015, he did not attend the meeting held on the date of his resignation and thereafter.

The Audit Committee

Composition and Term of Office

The Audit Committee of the Company (the "Audit Committee") was established on 10 January 2000. On 30 June 2014, the sixth session of the Board re-appointed the members of the Audit Committee with their term of office to end on the day of convening of the 2016 AGM. At present, the Audit Committee is comprised of four independent non-executive directors, namely, Mr. Liu Guibin (chairman of the Audit Committee, Chinese CPA, and one of the first batch of the senior members (practising) of Chinese Institute of Certified Public Accountant), Mr. Japhet Sebastian Law, Mr. Wang Xiaolong and Mr. Jiang Ruiming.

Duties

The main duties, roles and function of the Audit Committee are set out as follows:

- (i) To be responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (ii) To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;



Corporate Governance Report (Continued)

- (iii) To develop and implement policy on engaging an external auditor to supply non-audit services. For which purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (iv) To monitor the integrity of the Company’s financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;
- (v) To monitor the Company’s financial reporting system and internal control system;
- (vi) To review the Company’s financial controls, internal control and risk management systems;
- (vii) To discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting and financial reporting function;
- (viii) To consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management’s response to these findings;
- (ix) To ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (x) To review the Company’s financial and accounting policies and practices;
- (xi) To review the external auditor’s management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management’s response; to ensure that the Board provides a timely response to the issues raised in the external auditor’s management letter;
- (xii) To report to the Board on the matters in the code provision of the Corporate Governance Code;
- (xiii) To review arrangements that the employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (xiv) To act as the key representative body for overseeing the Company’s relations with the external auditor;
- (xv) To consider other issues, as defined by the Board; and
- (xvi) To consider other issues delegated by the Board.



Corporate Governance Report (Continued)

Meetings

The Audit Committee held three meetings in the reporting period, and please refer to the following work summary of Audit Committee for further details of relevant meetings.

The attendances of the members of the Audit Committee are as follows:

Members	Attendance rate Number of meetings attended/number of meetings held
Liu Guibin (<i>Chairman</i>)	2/3
Japhet Sebastian Law	3/3
Wang Xiaolong	2/3
Jiang Ruiming	3/3

The work performed by the Audit Committee of the Company for 2015 is summarized as follows:

In 2015, the Audit Committee reviewed the annual results report of the Company for 2014 and the interim results report of the Company for 2015, as well as the auditor's report for 2014 and the interim auditor's report for 2015; reviewed the report on compliance of continuing connected transactions of the year, issued an opinion on the report on compliance of continuing connected transactions of the year; reviewed the internal audit report of the Company; reviewed the proposal for re-appointment of external auditors, and defined their remuneration and term.

The Audit Committee has reported the aforesaid jobs and results to the Board.

The Audit Committee has been provided with sufficient resources, including the advices from external auditors and internal audit department, to perform its duties and responsibilities.

The Strategy Committee

Composition and Term of Office

The Strategy Committee of the Company (the "Strategy Committee") was established on 12 June 2002. On 30 June 2014, the sixth session of the Board re-appointed the members of the Strategy Committee with their term of office to end on the date of convening of the 2016 AGM. At present, the Strategy Committee is comprised of four members, including two executive directors, one non-executive director, and one independent non-executive director, namely, Mr. Liu Xuesong (chairman of the Strategy Committee), Ms. Gao Lijia, Mr. Cheng Chi Ming, Brian and Mr. Wang Xiaolong.

Duties

The main duties, roles and function of the Strategy Committee are set out as follows:

- (i) To investigate the operation environment and resources of the Company, to formulate the basic direction, goals and implementation plan for the future development of the Company;



Corporate Governance Report (Continued)

- (ii) To regularly assess the work of managing staff to ensure that their works are in line with the requirements under the mid-term and long-term development strategy of the Company;
- (iii) To analyze and prepare the research report on the capital expenditure items which may pose material impact on the development strategy of the Company, to formulate the basic implementation plan and present it to the Board for approval; and
- (iv) To consider other matters as required by the Board.

RESPONSIBILITIES OF THE DIRECTORS AND AUDITOR FOR ACCOUNTS

The directors of the Company hereby confirm the responsibilities for preparation of the financial statements of the Company. The directors of the Company confirm that the financial statements of the Company for the year were prepared in accordance with the relevant rules and regulations as well as applicable accounting policies. The directors of the Company ensure that the financial statements of the Company will be published in course. The responsibilities of the external auditor for the shareholders are described on page 68 to 69.

INTERNAL CONTROL

System Composition

The objectives of the internal control system of the Company are to insure the efficiency of the business activities, the safety of the assets, as well as the reliability of the business information and financial report. By means of risk management, the system is very complete and covers every aspect of the management and operation of the Company. The internal control system of the Company consists of the Supervisory Committee, the Board and the Audit Committee, as well as the internal audit department of the Company. In addition, the Company established especially the Risk Management Committee, which reports to the general manager's work meeting, studies and establishes the risk management system, conducts risk appraisal and puts forward the solution for risks.

Operations

The internal audit department of the Company is responsible for making audit plan, which will be presented to the Audit Committee for review; the internal audit department is also responsible for conducting the independent audit on whether or not the internal control system of the Company is sufficient and effective according to the audit plan, and the independent audit report will be delivered to the management of the Company; the internal audit department will keep audit track of the corrective measures taken by the related departments according to the instructions of the management of the Company; the internal audit department is required to make internal audit report to the Audit Committee of the Company every year.

The work performed by the internal audit department of the Company for 2015 is summarized as follows:

In 2015, the internal audit department conducted the proactive internal audit in the business-critical fields and high-risk areas of the Company. In the same year, the internal audit department reported its internal control work to the Audit Committee three times, and the Audit Committee reported to the Board accordingly. The Board has conducted a review of the effectiveness of the internal control of the Company and believes that, in the year ended 31 December 2015, the existing internal control system of the Company is prudent and sufficient to assure the interests of the Company and all shareholders.



Corporate Governance Report (Continued)

AUDITORS' REMUNERATION

The Company has appointed PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP as the international auditor and PRC auditor respectively for 2015. During the year ended 31 December 2015, the above auditors charged the Company RMB3,905,000 as service fees in respect of the audit and non-audit services.

During the year ended 31 December 2015, the above auditors provided two non-audit services for the Company and the service charges totaled RMB485,000. The non-audit services included the consulting service for the feasibility research on the new freight depot at the capital airport (the service charge amounted to RMB470,000) and Hong Kong tax audit service (the service charge amounted to RMB15,000).

COMPANY SECRETARY

Mr. Shu Yong served as the company secretary of the Company since 2003 and is familiar with the Company's day-to-day business operation. Mr. Shu provided advice on corporate governance issues for the Board by reporting to the Chairman of the Board or the chief executive of the Company and made arrangement for directors' induction training and professional development. Mr. Shu confirmed he received 18 hours relevant professional training during the reporting period.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

According to the Articles of Association of the Company, an extraordinary general meeting may be convened on the written request of shareholders holding 10% or more of the issued shares of the Company which carries the right of voting. Meanwhile, at an AGM, shareholders holding 5% or more of the total shares which carries the right of voting are entitled to raise new proposals in writing to the Company, and the Company shall incorporate the proposals which fall within the scope of duties of the general meeting into the agenda of the meeting.

Procedure for convening an extraordinary general meeting and making proposals are as follows:

Requisitionists must sign a written requisition, specifying the principal matters intended to be considered at the extraordinary general meeting and deposit it at the Company's registered office in Hong Kong;

The Company will check with our share registrar to understand the situation. If the main matters proposed by the requisitionists fall within the scope of the general meeting's terms of reference, the company secretary will request the Board to hold an extraordinary general meeting and dispatch a notice to all registered shareholders in accordance with the Listing Rules and the Articles of Association of the Company;

An extraordinary general meeting will not be held if the issues or the main matters proposed by requisitionists for consideration are deemed inappropriate after investigation, and the Company will inform relevant shareholders of the results;

If the Board fails to proceed duly to convene an extraordinary general meeting within 21 days of receiving the request, requisitionists, themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.



Corporate Governance Report (Continued)

INQUIRIES TO THE BOARD

Shareholders may make inquiries to the Board by phone (+8610 6450 7789) or email (ir@bcia.com.cn).

INVESTOR RELATIONS

During the reporting period, there is no any material amendment to the Articles of Association of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to a policy of open and regular communication with its shareholders. The Company will also make reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in the following manners:

1. The Company delivers the interim and annual results and reports to all shareholders and publishes the announcements on the annual and interim results and other information on the Stock Exchange's website and the Company's website.
2. The general meeting of the Company is also one of the communication channels between the Board and the shareholders.
3. The Company constantly strengthens ongoing communications with its shareholders, investors and analysts through:

Establishing specialized agencies and personnel for receiving investors and analysts and answering the relevant questions raised by them;

Arranging on-site visits by investors and analysts to the Company to facilitate their timely understanding of the business conditions and latest development of the business of the Company;

Gathering, in a timely manner, various kinds of opinions and suggestions from securities analysts and investors on the operation of the Company, compiling reports regularly and selectively adopting them to the operation of the Company; and

Providing relevant financial and operational information via the Company's website.



Report of the Supervisory Committee

To all shareholders,

During 2015, in accordance with the Company Law of the People's Republic of China, the Listing Rules and the Company's Articles of Association, the Supervisory Committee of the Company actively conducted supervision and inspection in the best interests of the shareholders and the Company and pursuant to regulatory laws and regulations as well as the requirements for corporate governance. During the year, all supervisors performed their supervisory duties conscientiously and effectively by convening and attending meetings, listening to the management's reports, attending regulation conferences and training. Acting on the principle of honesty and diligence, the Supervisory Committee successfully executed its work plan for 2015 and continuously improved the Company's governance practices.

The sixth session of the Supervisory Committee was established on 30 June 2014, upon election and confirmation by the Company's shareholders at the annual general meeting. The term of office for all the supervisors is three years, and will expire on the day when the 2016 Annual General Meeting is held.

As at 31 December 2015, the sixth session of the Supervisory Committee comprises six members, including Mr. Liu Yanbin and Mr. Song Shengli as representatives of shareholders, Mr. Deng Xianshan and Mr. Chang Jun as representatives of employees, and Mr. Dong Ansheng and Mr. Lau Siu Ki as external supervisors. Among them, Mr. Deng Xianshan and Mr. Chang Jun were elected as supervisors representing employees at the staff representative congress held on 6 June 2012.

During the reporting period, the Supervisory Committee held one meeting.

On 25 March 2015, the Supervisory Committee held the first meeting of this year, at which the 2014 work of the Supervisory Committee were summarized, and the Report of the Supervisory Committee of the Company for 2014 was considered and approved. The secretary to the Board was authorized to incorporate the report into the 2014 annual report for review by the Company's shareholders.

During the reporting period, supervisors attended three on-site Board meetings and three meetings for the Audit Committee held by the Company, and monitored the decision making process of the Board, the completeness of the minutes of the Board meetings and implementation of the resolutions passed at the Board meetings. Supervisors also involved themselves in major operational events including general manager's work meeting, and audited the Company's financial, daily management and operational status as well as the operating results and financial condition of the Company in 2015.

Meanwhile, the Supervisory Committee carefully reviewed the Report of the Board, the financial statements and the profit distribution proposal to be submitted to the shareholders at the 2015 AGM and is of the view that the shareholders' equity continued to grow, the Company's profitability was enhanced, liability-to-asset ratio lowered, dividend distribution policy was reasonable and the overall financial position was sound in 2015.



Report of the Supervisory Committee (Continued)

INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS

Legality of the Company's Operation

The Company's business operation is in compliance with the Company Law, the Law of Commercial Banks and the Articles of Association. The decision making procedure is lawful and valid. During the reporting period, the members of the Board, the general manager and other senior management observed the principle of diligence and honesty, and performed their duties in good faith and in the interests of the shareholders and the Company. The Supervisory Committee was not aware of any breach of laws, regulations and the Articles of Association or actions to the detriment of the interests of the shareholders and the Company on the part of directors, senior management in carrying out their duties.

Truthfulness of the Company's Financial Information

The financial report for the year gives a true, objective, fair and accurate view of the Company's financial position and operating results.

Acquisition and Disposal of Assets

During the reporting period, the Supervisory Committee was not aware of any acquisition and disposal of assets to the detriment of shareholders' interests or leading to loss of the Company's assets or insider trading.

Connected Transactions

During the reporting period, the Company entered into connected transactions by following the legal decision making procedure, in strict compliance with the principle of fairness, in accordance with the Listing Rules, with open and transparent information disclosure and without harming the interests of the Company.

In 2015, the Beijing Capital Airport, as the world's second biggest airport, saw its passenger throughput surpassing 89 million, with security, operation, services and management continuously improving. The traffic volume of the Beijing Capital Airport is expected to maintain a stable growth momentum in 2016. The Supervisory Committee is fully confident in the prospects of the Company's future development. Meanwhile, we will continue to safeguard the interests of all the shareholders and the Company, carry out our duties diligently and focus on monitoring the Company's actions for fulfilling its commitments to shareholders.

By order of the Supervisory Committee

Liu Yanbin

Chairman of the Supervisory Committee

Beijing, the PRC, 22 March 2016



Independent Auditor's Report



羅兵咸永道

To the shareholders of Beijing Capital International Airport Company Limited

(Incorporated in the People's Republic of China with limited liability)

We have audited the financial statements of Beijing Capital International Airport Company Limited (the "Company") set out on pages 70 to 141, which comprise the balance sheet as at 31 December 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Independent Auditor's Report (Continued)



羅兵咸永道

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 March 2016

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com



Balance Sheet

As at 31 December 2015

		As at 31 December	
	Note	2015 RMB'000	2014 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	27,750,245	27,298,979
Land use rights	7	1,163,821	667,945
Intangible assets	8	47,829	38,804
Investment in a joint venture	9	39,858	55,647
Deferred income tax assets	17	132,478	102,050
Other non-current assets	10	52,668	53,671
		29,186,899	28,217,096
Current assets			
Inventories		125,650	118,226
Trade and other receivables	10	1,265,808	1,391,672
Cash and cash equivalents	11	2,112,869	2,184,273
		3,504,327	3,694,171
Total assets		32,691,226	31,911,267
EQUITY			
Capital and reserves			
Share capital	12	4,330,890	4,330,890
Share premium		5,055,425	5,055,425
Capital reserve	13(a)	957,510	927,704
Other reserve	13(b)	(14,848)	(11,309)
Statutory and discretionary reserves	13(c)	3,869,850	3,427,412
Retained earnings		4,070,163	3,472,247
Total equity		18,268,990	17,202,369



Balance Sheet (Continued)

As at 31 December 2015

	Note	As at 31 December	
		2015 RMB'000	2014 RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings	15	1,885,000	2,225,000
Bonds payable	16	2,997,278	2,994,976
Retirement benefit obligations	18	114,280	117,633
Deferred income	19	17,288	9,217
Loans from the Parent Company	20	2,156,118	2,682,237
		7,169,964	8,029,063
Current liabilities			
Trade and other payables	14	2,216,392	1,926,554
Interest payable		142,887	221,720
Short-term borrowings	15	2,000,000	2,250,000
Current income tax liabilities		240,961	214,058
Current portion of long-term borrowings	15	1,985,000	10,000
Current portion of bonds payable	16	—	1,899,694
Current portion of retirement benefit obligations	18	7,319	7,310
Current portion of loans from the Parent Company	20	659,713	150,499
		7,252,272	6,679,835
Total liabilities		14,422,236	14,708,898
Total equity and liabilities		32,691,226	31,911,267

The notes on pages 76 to 141 are an integral part of these financial statements.

The financial statements on pages 70 to 141 were approved by the Board of Directors on 22 March 2016 and were signed on its behalf.

Liu Xuesong
Chairman

Gao Lijia
Director



Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Revenues			
Aeronautical	5	4,593,099	4,367,823
Non-aeronautical	5	3,916,863	3,288,134
		8,509,962	7,655,957
Business tax and levies			
Aeronautical		(7,185)	(7,646)
Non-aeronautical		(115,555)	(91,732)
		(122,740)	(99,378)
Operating expenses			
Depreciation and amortisation	6, 7 and 8	(1,593,418)	(1,453,972)
Repairs and maintenance		(687,285)	(741,153)
Utilities and power		(616,654)	(628,827)
Concession management fee		(562,519)	–
Aviation safety and security guard costs		(532,888)	(488,926)
Staff costs	21	(531,004)	(517,135)
Operating contracted services		(277,500)	(280,264)
Greening and environmental maintenance		(197,888)	(202,893)
Real estate and other taxes		(171,527)	(163,129)
Rental expenses		(112,123)	(385,266)
Other costs		(320,254)	(309,906)
	22	(5,603,060)	(5,171,471)
Other income		14,742	8,195
		2,798,904	2,393,303
Operating profit			
Finance income	23	29,880	21,005
Finance costs	23	(643,845)	(560,105)
		(613,965)	(539,100)



Statement of Comprehensive Income (Continued)

For the year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Share of post-tax profit of a joint venture		8,017	4,836
Profit before income tax		2,192,956	1,859,039
Income tax expense	24(a)	(551,041)	(467,808)
Profit for the year		1,641,915	1,391,231
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		551	(16,545)
Share of other comprehensive loss of investment in a joint venture		(4,090)	(5,331)
Other comprehensive loss for the year, net of tax		(3,539)	(21,876)
Total comprehensive income for the year		1,638,376	1,369,355
Earnings per share, basic and diluted (RMB)	25	0.38	0.32

The notes on pages 76 to 141 are an integral part of these financial statements.



Statement of Changes in Equity

For the year ended 31 December 2015

	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Statutory and discretionary reserves RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2014		4,330,890	5,055,425	773,771	10,567	3,022,484	3,018,644	16,211,781
Profit for the year		-	-	-	-	-	1,391,231	1,391,231
Other comprehensive loss for the year		-	-	-	(21,876)	-	-	(21,876)
Total comprehensive income for the year		-	-	-	(21,876)	-	1,391,231	1,369,355
Cash contribution from the Parent Company	13(a)	-	-	153,933	-	-	-	153,933
2013 final dividend		-	-	-	-	-	(329,581)	(329,581)
2014 interim dividend	26	-	-	-	-	-	(203,119)	(203,119)
Transfer to statutory and discretionary reserves		-	-	-	-	404,928	(404,928)	-
Balance at 31 December 2014		<u>4,330,890</u>	<u>5,055,425</u>	<u>927,704</u>	<u>(11,309)</u>	<u>3,427,412</u>	<u>3,472,247</u>	<u>17,202,369</u>
Balance at 1 January 2015		4,330,890	5,055,425	927,704	(11,309)	3,427,412	3,472,247	17,202,369
Profit for the year		-	-	-	-	-	1,641,915	1,641,915
Other comprehensive loss for the year		-	-	-	(3,539)	-	-	(3,539)
Total comprehensive income for the year		-	-	-	(3,539)	-	1,641,915	1,638,376
Cash contribution from the Parent Company	13(a)	-	-	29,806	-	-	-	29,806
2014 final dividend	26	-	-	-	-	-	(353,401)	(353,401)
2015 interim dividend	26	-	-	-	-	-	(248,160)	(248,160)
Transfer to statutory and discretionary reserves	13(c)	-	-	-	-	442,438	(442,438)	-
Balance at 31 December 2015		<u>4,330,890</u>	<u>5,055,425</u>	<u>957,510</u>	<u>(14,848)</u>	<u>3,869,850</u>	<u>4,070,163</u>	<u>18,268,990</u>

The notes on pages 76 to 141 are an integral part of these financial statements.



Statement of Cash Flows

For the year ended 31 December 2015

	Note	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Cash generated from operations	29	4,712,033	3,724,548
Income tax paid		(554,750)	(459,868)
Net cash generated from operating activities		4,157,283	3,264,680
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,874,066)	(548,338)
Purchase of land use rights		(523,021)	–
Purchase of intangible assets		(43,721)	(16,876)
Interest received		24,581	22,636
Government subsidies received for assets		9,710	–
Proceeds from sale of property, plant and equipment		960	–
Net cash used in investing activities		(2,405,557)	(542,578)
Cash flows from financing activities			
Repayment of short-term borrowings		(2,500,000)	(3,250,000)
Repayment of bonds		(1,900,000)	–
Dividends paid		(601,561)	(532,700)
Interest paid		(584,677)	(549,160)
Repayment of long-term borrowings		(265,000)	(760,000)
Repayment of loans from the Parent Company		(155,417)	(152,740)
Proceeds from short-term borrowings		2,250,000	2,500,000
Proceeds from long-term borrowings		1,900,000	–
Cash contribution from the Parent Company	13(a)	29,806	153,933
Net cash used in financing activities		(1,826,849)	(2,590,667)
Net (decrease)/increase in cash and cash equivalents			
		(75,123)	131,435
Cash and cash equivalents at beginning of year		2,184,273	2,052,283
Exchange gains on cash and cash equivalents		3,719	555
Cash and cash equivalents at end of year	11	2,112,869	2,184,273

The notes on pages 76 to 141 are an integral part of these financial statements.



Notes to the Financial Statements

For the year ended 31 December 2015

1 GENERAL INFORMATION

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

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

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated, and were approved for issue by the Board of Directors on 22 March 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

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

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

- The Company’s continuous net cash inflow from operating activities; and
- The Company’s financing arrangements with commercial banks in the first half year of 2016.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to continue its operations and to repay its debts as and when they fall due. As a result, the financial statements of the Company for the year ended 31 December 2015 have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

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

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

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

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

(2) **New Hong Kong Companies Ordinance (Cap. 622)**

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the financial statements.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

(3) ***New standards and amendments to standards not yet effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Company***

New standards and amendments to standards		Effective for accounting periods beginning on or after
Amendment to IAS 1	Disclosure initiative	1 January 2016
Amendment to IAS 27	Equity method in separate financial statements	1 January 2016
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 and IAS 41	Agriculture: bearer plants	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to IFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendment to IAS 7	Statement of cash flows	1 January 2017
Amendment to IAS 12	Income taxes	1 January 2017
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS16	Leases	1 January 2019

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Joint arrangement

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. The Company's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Company's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint ventures), the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(d) Foreign currency translation

The financial statements are presented in RMB, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other costs'.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All the other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings and improvements	8–45 years
Runways	40 years
Plant, furniture, fixtures and equipment	5–15 years
Motor vehicles	6–12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(h)).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income within 'other costs'.

Assets under construction represent buildings and runways under construction and plant and equipment pending installation and are stated at cost. This includes the cost of construction, costs of plant and equipment and other direct costs plus cost of borrowings (including interest charges and exchange differences arising from foreign currency borrowings to the extent these exchange differences are regarded as an adjustment to interest costs) used to finance these projects during the period of construction or installation and testing. Assets under construction are not depreciated until such time as the relevant assets are completed and ready for their intended use.

(f) Land use rights

Leased land use rights are shown at historical cost. Land use rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of land use rights over the lease period of 50 years.

(g) Intangible assets

Acquired software and software use rights are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years to 10 years on a straight-line basis.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value of inventories, represented by the spare parts and consumable items, is the expected amount to be realised from use.

(j) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default are considered indicators that the trade and other receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'other costs'. When a trade or other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'other costs' in the statement of comprehensive income.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(m) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

(o) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in joint venture, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits

(1) Pension obligations

The Company operates various pension schemes.

All of the Company's full-time Chinese employees are covered by a state-sponsored pension plan under which the Company was required to make monthly contributions at rate of 20% of the employees' basic salaries for the year.

In addition, the Company also has a retirement benefit plan which is a defined benefit scheme for retirees and an annuity plan (the "Annuity Plan") which includes both the defined contribution schemes as well as the defined benefit schemes for all current participating employees:

- (i) The defined contribution scheme under the Annuity Plan applies to all current participating employees that the Company will make annual contributions determined by a specified level of the salary of the participating employees to a privately administered pension insurance plan.
- (ii) The defined benefit scheme under the Annuity Plan represents the additional benefits guaranteed by the Company to certain employees, who have been employed by the Company before 1 January 2011 and whose accumulated fund under the defined contribution scheme of the Annuity Plan will not be able to meet the amount guaranteed by the Company upon their retirement. The Company will provide such employees additional benefits up to the guaranteed amount of pension benefit on their retirement. The Company will make further payments to the trustee, which constitutes plan assets being held in the trust for the purpose of meeting the corresponding additional retirement benefit obligations.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (Continued)

(1) Pension obligations (Continued)

Defined contribution scheme

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods. The contributions are recognised as staff costs when they are due.

Defined benefit scheme

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of services and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries, Aon Hewitt, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government bonds that are denominated in RMB, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan, recognised in the statement of comprehensive income in staff costs, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of comprehensive income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in staff costs in the statement of comprehensive income.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (Continued)

(2) **Other post-employment obligations**

The Company provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by Aon Hewitt, the independent qualified actuaries.

(3) **Housing funds and housing subsidies**

All full-time employees of the Company are entitled to participate in a government-sponsored housing fund. The Company contributes on a monthly basis to the fund based on certain percentages of the salaries of the employees. The Company's liability in respect of this fund is limited to the contributions payable in each period.

In addition, the Company provides cash housing subsidies to its employees, which are determined based on a number of factors, including the position, length of service and ability of the employees concerned, as well as the staff quarters that the employees had already obtained from CAHC and its related entities prior to the incorporation of the Company and currently occupy. Housing subsidies are recognised in the statement of comprehensive income in the period in which they are incurred.

(4) **Bonus entitlements**

The expected cost of bonus payments is recognised as a liability when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

The liability for bonus entitlements is expected to be settled within 12 months and is measured at the amounts expected to be paid when it is settled.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(s) Government subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the subsidies will be received and the Company will comply with all attached conditions.

Government subsidies relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government subsidies relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

(t) Revenues/Income recognition

Revenues is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services, stated net of value-added tax, returns, rebates and discounts. The Company recognises revenues when the amount of revenues can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (i) The Airport fee represents Civil Aviation Development Fund (the "Airport Fee") which are recognised when the related services are rendered to the outbound passengers departing from Beijing Capital Airport. The charge rates of the Airport Fee are regulated by relevant authorities. Revenues are recognised according to the authorised charge rates attributable to the Company collected by CAAC from outbound passengers (Note 4(c)).



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenues/Income recognition (Continued)

(ii) Aeronautical revenues other than the Airport Fee such as passenger charges and aircraft movement fees are recognised when the related airport services are rendered.

(iii) Concession revenues comprise sales-related revenue from retailing, restaurants and food shops, advertising, ground handling service, VIP service, and other services in Beijing Capital Airport and are recognised at the same time when the services are provided by the franchisee.

Concession revenues from retailing, restaurants and food shops, advertising and VIP service are recognised based on a percentage of sales or specified minimum rent guarantees or agreements with negotiations.

Concession revenues from ground handling are recognised based on mutual negotiations with the franchisee and with reference to the charge rates promulgated by CAAC.

(iv) Rental income is recognised on a straight-line basis over the period of the lease.

(v) Car parking fees are recognised when the parking services are rendered.

(vi) Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivable is recognised using the original effective interest rate.

(u) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(1) Where Company is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(2) Where Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the period of the lease.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company conducts its operations in the PRC and accordingly is subject to certain specific risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry. Also the Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company's overall financial risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the Company's financial performance. Financial risk management is carried out by a treasury division and a revenue division under the Company's finance department, following the overall directions determined by the Board of Directors. The treasury division identifies and evaluates financial risks in close co-operation with the Company's operating units and makes decisions on portfolio of currencies and term of deposits. The revenue division monitors the Company's exposure to credit risks with respect to its customers and coordinate collection efforts. The Board of Directors provides directions on overall risk management and makes key decisions on matters which may give rise to significant financial risks.

(i) **Market risk**

(1) *Foreign exchange risk*

The Company's businesses are principally conducted in RMB. The Company is exposed to foreign currency risk with respect to primarily United States dollar (US dollar" or "USD") and Hong Kong dollar ("HK dollar" or "HKD"). Foreign currency risk arises from transactions including revenues from non-aeronautical revenues, payment of agency fee, repayment of part of the loans from the Parent Company and distribution of dividends to equity holders holding H shares.

As at 31 December 2015, all of the Company's assets and liabilities were denominated in RMB except that cash and cash equivalents of RMB49,045,000 (2014: RMB92,691,000), trade and other receivables of RMB112,000 (2014: RMB3,485,000), trade and other payables of RMB10,061,000 (2014: RMB5,502,000) and loans from the Parent Company of RMB2,315,831,000 (2014: RMB2,332,736,000) were denominated in US dollar.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(i) **Market risk (Continued)**

(1) *Foreign exchange risk (Continued)*

As at 31 December 2015, if RMB had weakened/strengthened by 5% against the US dollar with all other variables held constant, post-tax profit would have decreased/increased by RMB85,378,000 (2014: decreased/increased by RMB84,077,000), mainly as a result of foreign exchange losses/gains in translation of US dollar denominated cash and cash equivalents, trade and other receivables, trade and other payables and loans from the Parent Company.

The Company did not enter into any forward contract to hedge its exposure to foreign currency risk for the years ended 31 December 2015 and 2014.

(2) *Interest rate risk*

The Company has no significant interest-bearing assets, other than cash and cash equivalents. The impact of the changes in interest rate is not expected to be material.

Bonds payable is at fixed interest rate and exposes the Company to fair value interest rate risk. Loans from the Parent Company and long-term and short-term borrowings are at floating interest rates and expose the Company to cash flow interest rate risk. Long-term and short-term borrowings and bonds payable are denominated in RMB. Loans from the Parent Company are denominated in RMB and US dollar.

The Company analyses its interest rate exposure on a dynamic basis by simulating various options available for financing, and considers an interest rate swap arrangement to hedge its interest rate risk when appropriate.

As at 31 December 2015, if the interest rate on those long-term loans with floating interest rates had increased/decreased by 50 basis points with all other variables held constant, post-tax profit and equity would have been lower/higher by RMB25,072,000 (2014: RMB19,004,000).



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(ii) **Credit risk**

Credit risk arises if a customer or other counterparty fails to meet its contractual obligations. The credit risk of the Company mainly arises from debtors and deposits with banks and a financial institution.

In order to minimise the credit risk arising from debtors, management of the Company has delegated a team responsible for determination of credit limits and credit approval. In assessing the credit quality and set credit limits of the customers, the Company considers the customers' financial position, credit history as well as other factors such as market conditions. The utilisation of credit limits is regularly monitored. The Company has policies in place to limit the credit exposure on trade receivables. Debtors with overdue balances will be requested to settle their outstanding balance. The Company reviews the recoverable amount of each debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Company believes that adequate provision for doubtful debts has been made in the financial statements.

The Company's bank deposits are all deposited in state-owned banks/financial institution and other reputable listed bank with high credit quality. Management considers that the credit risk associated with the deposits with banks and a financial institution is low.

(iii) **Liquidity risk**

The Company adopts prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents and having available funding through short and long term banks loans to meet its capital commitments and working capital requirements.

Management maintains rolling forecast of the Company's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. In addition, the Company maintains flexibility in funding through having adequate amount of cash and cash equivalents and utilising different sources of financing when necessary.

As at 31 December 2015 and 2014, the amounts disclosed below are the contractual undiscounted cash flows of the Company's financial liabilities, which are primarily trade and other payables (excluding payroll and welfare payable, advance from customers and tax payable), interest payable, long-term and short-term borrowings, bonds payable and loans from the Parent Company.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk factors (Continued)

(iii) **Liquidity risk (Continued)**

	Less than 1 year <i>RMB'000</i>	Between 1 and 2 years <i>RMB'000</i>	Between 2 and 5 years <i>RMB'000</i>	Over 5 years <i>RMB'000</i>
As at 31 December 2015				
Trade and other payables	1,522,600	–	–	–
Interest payable	142,887	–	–	–
Short-term borrowings	2,030,015	–	–	–
Long-term borrowings	2,097,866	91,423	1,883,684	–
Bonds payable	12,462	3,139,500	–	–
Loans from the Parent Company	687,802	176,948	523,013	1,578,896
	<u>6,493,632</u>	<u>3,407,871</u>	<u>2,406,697</u>	<u>1,578,896</u>
As at 31 December 2014				
Trade and other payables	1,419,016	–	–	–
Interest payable	221,720	–	–	–
Short-term borrowings	2,296,912	–	–	–
Long-term borrowings	129,659	2,275,396	–	–
Bonds payable	1,919,643	139,500	3,139,500	–
Loans from the Parent Company	184,922	680,717	490,853	1,641,961
	<u>6,171,872</u>	<u>3,095,613</u>	<u>3,630,353</u>	<u>1,641,961</u>



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

As part of the capital risk management process, the Company monitors capital on the basis of the liability-to-asset ratio. This ratio is calculated as total liabilities divided by total assets.

The liability-to-asset ratios at 31 December 2015 and 2014 are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Total liabilities	14,422,236	14,708,898
Total assets	32,691,226	31,911,267
Liability-to-asset ratio	44%	46%

There is no significant change in the liability-to-asset ratio during 2015.

(c) Fair values estimation

The financial instruments are categorised into three levels within a fair value hierarchy by level of the inputs to valuation techniques used to measure fair value as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

a) **Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair values estimation (Continued)

b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of the Company's financial assets, including cash and cash equivalents, trade and other receivables and financial liabilities, including trade and other payables, interest payable, short-term and long-term borrowings and loans from the Parent Company approximate their fair values.

The fair value of bonds payable for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments, which is included in level 2.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) **Estimated useful lives of property, plant and equipment**

The Company's major operating assets represent buildings and improvements, runways and plant, furniture, fixtures and equipment. Management determines the estimated useful lives of its property, plant and equipment based on management's experience in operating airport and the conditions of the property, plant and equipment.

With all other variables held constant, if the useful lives differ by 10% from management estimates, the depreciation expense would be lower/higher by RMB259,416,000/RMB401,671,000 for the year ended 31 December 2015.

(b) **The cost of the Phase III and T3D Assets**

The Company acquired from CAHC the airfield assets (including runway base courses, runway wearing courses, taxiways, road non-asphalt layers, road asphalt layers, aprons and tunnels, lighting and other airfield facilities), Terminal Three of the Beijing Capital Airport ("T3"), T3 related assets, roads within the airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related constructions are situated (collectively the "Phase III Assets").

Pursuant to the relevant assets transfer agreements, the Company acquired from the Parent Company the Phase III Assets on 1 October 2008. The date was different from the previously acknowledged acquisition date of 26 March 2008 by the Ministry of Finance ("MOF"). During the period from 26 March 2008 to 30 September 2008, the Phase III Assets were used by the Company under operating leases arrangements. As of the date of approval of the financial statements, a submission through CAAC has been made to the MOF for endorsement of the acquisition date of 1 October 2008. The Board of Directors is of the view that such submission will be endorsed.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) The cost of the Phase III and T3D Assets (Continued)

The cost of the Phase III Assets is determined based on the valuation performed by independent valuer and is subject to final adjustment when the final account of construction by the surveyors in respect of the Phase III Assets is available. Due to the size of the Phase III Assets, the final account of construction by the surveyors in respect of the Phase III Assets had not completed as at 31 December 2015. The total cost is therefore subject to future adjustment according to the final account of construction by the surveyors. Management does not expect the final account of construction by the surveyors to have an adjustment of more than 10% of the cost of the Phase III Assets. Any adjustment will be accounted for prospectively as a change in accounting estimate.

In January 2015, the Company completed the acquisition of the airport-related assets under the Building D of Terminal Three and Ancillary Assets (the “T3D Assets”) pursuant to the relevant agreement of the assets transfer agreement (the “Agreement”) entered into by the Company and the Parent Company on 31 October 2014. The Agreement has been approved by the independent shareholders of the Company in the Extraordinary General Meeting on 18 December 2014 (the “Approval Date”). According to the Agreement, both parties confirmed that the total consideration amounted to RMB2,177,290,000, and the Company has paid the total consideration by cash to the Parent Company by 31 December 2015.

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) The charge rates attributable to the Company on the Airport Fee collected

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

The charge rates of the Airport Fee (Note 2(t)) were regulated by relevant authorities and the Company recognised the revenue of the Airport Fee according to the authorised charge rates attributable to the Company on the Airport Fee collected by CAAC from outbound passengers.

During the year, the Company did not receive any notice from relevant authorities for the updated charge rates attributable to the Company on the Airport Fee collected by CAAC from outbound passengers. Based on historical transaction pattern, cash settlement made by CAAC and management’s best estimation, the Company recognised its revenue of the Airport Fee for the year ended 31 December 2015 at the rate of 48% of total amount collected by CAAC from outbound passengers, which was as same as that of previous years.

As at 31 December 2015, the Company has received from CAAC the Airport Fee for the year ended 31 December 2015 in full at the rate of 48% of total amount collected by CAAC from outbound passengers departing from Beijing Capital Airport.

(d) Impairment of trade and other receivables

The risk of impairment of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, while large accounts are assessed individually based on factors that include ability to pay, bankruptcy and payment history. Should the outcome differ from the assumptions and estimates, revisions to the estimated impairment of trade and other receivables would be required.

(e) Employee benefits

The Company’s accounting policy is to recognise any actuarial gains or losses to equity in other comprehensive income in the period in which they arise.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net loss/gain for pensions include the selection of discount rate, pension cost inflation rate, salary inflation rate, employees’ withdrawal rate and mortality rate. Any changes in these assumptions will impact the carrying amount of pension obligations.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Employee benefits (Continued)

The discount rate is calculated based on long-term government bonds. The pension cost inflation rate and salary inflation rate are based on the general local economic conditions. The employees' withdrawal rate is based on historical trends of the Company. Mortality rates for male and female are made reference to the China Life Incurrence Mortality Table (2000–2003) published by the China Insurance Regulatory commission.

Additional information is disclosed in Note 18.

5 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. The Board of Directors considers the performance assessment of the Company should be based on the results of the Company as a whole. Therefore, management considers there to be only one operating segment under the requirement of IFRS 8.

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

5 REVENUES AND SEGMENT INFORMATION (CONTINUED)

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

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

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

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

**Notes to the Financial Statements (Continued)**

For the year ended 31 December 2015

6 PROPERTY, PLANT AND EQUIPMENT

	2015					
	Buildings and improvements RMB'000	Runways RMB'000	Plant, furniture, fixtures and equipment RMB'000	Motor Vehicles RMB'000	Assets under construction RMB'000	Total RMB'000
Cost						
At beginning of year	21,294,697	9,852,760	8,022,507	685,748	741,598	40,597,310
Additions	1,278,915	136,167	336,731	349	257,695	2,009,857
Transfers	68,919	3,621	15,561	20,767	(108,868)	–
Disposals and other decreases	(48,378)	–	(51,316)	(3,956)	–	(103,650)
Adjustment according to finalisation of construction account by the surveyors	50,305	(63,989)	4,942	–	–	(8,742)
At end of year	22,644,458	9,928,559	8,328,425	702,908	890,425	42,494,775
Accumulated depreciation and impairment						
At beginning of year	(5,082,283)	(2,357,094)	(5,490,450)	(359,568)	(8,936)	(13,298,331)
Charge for the year	(574,438)	(220,282)	(702,691)	(44,052)	–	(1,541,463)
Disposals and other decreases	45,427	–	46,859	2,978	–	95,264
Reclassification	(5,418)	6,744	(1,326)	–	–	–
At end of year	(5,616,712)	(2,570,632)	(6,147,608)	(400,642)	(8,936)	(14,744,530)
Net book amount						
At end of year	17,027,746	7,357,927	2,180,817	302,266	881,489	27,750,245



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2014					
	Buildings and improvements RMB'000	Runways RMB'000	Plant, furniture, fixtures and equipment RMB'000	Motor Vehicles RMB'000	Assets under construction RMB'000	Total RMB'000
Cost						
At beginning of year	21,283,300	10,092,306	7,919,792	674,889	515,287	40,485,574
Additions	480	-	41,788	16,099	344,013	402,380
Transfers	28,144	-	89,558	-	(117,702)	-
Disposals and other decreases	(14,577)	-	(104,519)	(5,240)	-	(124,336)
Reclassification	123,905	(271,476)	147,571	-	-	-
Adjustment according to finalisation of construction account by the surveyors	(126,555)	31,930	(71,683)	-	-	(166,308)
At end of year	21,294,697	9,852,760	8,022,507	685,748	741,598	40,597,310
Accumulated depreciation and impairment						
At beginning of year	(4,602,854)	(2,105,126)	(4,955,976)	(319,929)	(8,936)	(11,992,821)
Charge for the year	(547,997)	(223,260)	(608,262)	(44,558)	-	(1,424,077)
Disposals and other decreases	14,485	-	99,163	4,919	-	118,567
Reclassification	54,083	(28,708)	(25,375)	-	-	-
At end of year	(5,082,283)	(2,357,094)	(5,490,450)	(359,568)	(8,936)	(13,298,331)
Net book amount						
At end of year	16,212,414	7,495,666	2,532,057	326,180	732,662	27,298,979



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leased assets, where the Company is a lessor, comprise buildings under operating leases with cost and accumulated depreciation as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Cost	1,323,291	1,049,913
Accumulated depreciation	(451,718)	(387,081)
Net book amount	871,573	662,832

As at 31 December 2015, buildings with net book value of RMB138,368,000 (2014: RMB140,549,000) are situated on parcels of allocated land owned by the Parent Company. Parts of these parcels of land are occupied by the Company at nil consideration. As at 31 December 2015, buildings and terminal with a net book value of RMB8,452,156,000 (2014: RMB8,694,649,000) are situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the Phase III Assets (Note 7). As at 31 December 2015, buildings and terminal with a net book value of RMB1,003,845,000 (2014: nil) are situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the T3D Assets (Note 7). As at the date of approval of the financial statements, the Company is in the process of applying for the building ownership certificates of these buildings.

As at 31 December 2015, taxiways and structures with net book value of RMB1,159,622,000 (2014: RMB1,244,005,000) are situated on parcels of allocated land owned by the Parent Company and another party. These parcels of land are occupied by the Company at nil consideration.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

7 LAND USE RIGHTS

Interests in land use rights of the Company represent prepaid operating lease payments in the PRC held on leases and their net book values are analysed as follows:

	2015 RMB'000	2014 RMB'000
Outside Hong Kong, held on: Leases of between 10 to 50 years		
Cost		
At beginning of year	816,488	816,488
Additions	524,077	–
At end of year	1,340,565	816,488
Accumulated amortisation		
At beginning of year	(148,543)	(132,208)
Amortisation	(28,201)	(16,335)
At end of year	(176,744)	(148,543)
Net book amount		
At end of year	1,163,821	667,945

As at 31 December 2015, the land use rights for parcels of land with net book value of RMB470,483,000 (2014: RMB481,489,000) were acquired from the Parent Company as part of the acquisition of the Phase III Assets. As at the date of approval of the financial statements, the Parent Company is in the process of applying and obtaining the land use rights certificates from the Beijing Municipal Bureau of Land and Resource.

As at 31 December 2015, the land use rights for parcels of land with net book value of RMB494,241,000 (2014: nil) were acquired from the Parent Company as part of the acquisition of the T3D Assets. As at the date of approval of the financial statements, the Parent Company is in the process of applying and obtaining the land use rights certificates from the Beijing Municipal Bureau of Land and Resource.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

8 INTANGIBLE ASSETS

Intangible assets comprised software and software use rights which are amortised on a straight-line basis between 5 years to 10 years respectively, and their net book values are analysed as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Cost		
At beginning of year	239,418	224,811
Additions	32,779	14,607
At end of year	272,197	239,418
Accumulated amortization		
At beginning of year	(200,614)	(187,054)
Amortisation	(23,754)	(13,560)
At end of year	(224,368)	(200,614)
Net book amount		
At end of year	47,829	38,804



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

9 INVESTMENT IN A JOINT VENTURE

	2015 RMB'000	2014 <i>RMB'000</i>
At beginning of year	55,647	56,142
Share of profit	8,017	4,836
Dividends declared	(19,716)	–
Other comprehensive loss	(4,090)	(5,331)
At end of year	39,858	55,647

The details of the joint venture, unlisted, are as follows:

	Place of incorporation	Percentage of equity interest directly held	
		2015	2014
Beijing Bowei Airport Support Limited ("Boweï")	Beijing, the PRC	60%	60%

Pursuant to Bowei's Articles of Association, the strategic operating, investing and financing activities of Bowei are jointly controlled by the Company and the other joint venture partner. Accordingly, the Company accounts for Bowei as a joint venture using the equity method.

There are no contingent liabilities relating to the Company's interest in the joint venture.

As at 31 December 2015, the total assets and total liabilities of Bowei, as well as its revenue and net profit for the year then ended are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Total assets	279,523	254,284
Total liabilities	244,605	194,974
Revenue	373,904	374,442
Net profit	13,362	8,060
Total comprehensive income/(loss)	6,545	(825)

**Notes to the Financial Statements (Continued)**

For the year ended 31 December 2015

10 TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	RMB'000
Trade receivables		
– CAHC's subsidiaries (<i>Note 30(a)</i>)	27,288	205,629
– a joint venture of the Company (<i>Note 30(a)</i>)	438	139
– third parties	1,250,356	1,174,629
	1,278,082	1,380,397
Less: Provision for impairment	(112,410)	(79,891)
	1,165,672	1,300,506
Bill receivable		
– third parties	11,346	32,035
Dividends receivable		
– a joint venture of the Company (<i>Note 30(a)</i>)	22,946	3,230
Prepayments and other receivables		
– CAHC and its subsidiaries (<i>Note 30(a)</i>)	95,402	90,483
– third parties	23,110	19,089
	118,512	109,572
Total trade and other receivables	1,318,476	1,445,343
Less: non-current portion	(52,668)	(53,671)
Current portion	1,265,808	1,391,672



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

The fair values of the current portion of trade and other receivables approximate their carrying value.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

Currency	2015 RMB'000	2014 RMB'000
RMB	1,318,364	1,441,858
US dollar	112	3,485
	1,318,476	1,445,343

The ageing analysis of the trade receivables is as follows:

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

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

As at 31 December 2015, trade receivables of RMB412,058,000 (2014: RMB446,436,000) were past due but were considered not impaired by management. These receivables relate to a number of customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

	2015 RMB'000	2014 RMB'000
Past due up to 3 months	68,521	144,745
Past due 4–6 months	80,181	46,420
Past due 7–12 months	77,239	75,352
Past due over 1 year	186,117	179,919
	412,058	446,436



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

10 TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 31 December 2015, trade receivables of RMB112,410,000 (2014: RMB79,891,000) had indication of impairment. The amounts mainly related to non-aeronautical customers which were either in an unexpected difficult economic situation or in negotiation of the settlement amounts. It was assessed that after mutual negotiations, specific provision of RMB112,410,000 (2014: RMB79,891,000) was made. The ageing of these receivables is as follows:

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

The movement on the provision for impairment of trade receivables is as follows:

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

Prepayments and other receivables do not contain impaired assets.

Management considered the maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

11 CASH AND CASH EQUIVALENTS

	2015 RMB'000	2014 RMB'000
Cash on hand	2	–
Deposits placed with a subsidiary of CAHC (Note 30(a) and note a)	224,678	277,696
Bank deposits	1,888,189	1,906,577
	2,112,869	2,184,273

- (a) Deposits placed with a subsidiary of CAHC, which is a financial institution, bear interest at prevailing market rates.
- (b) The interest rates on time deposits placed with a subsidiary of CAHC and banks as at 31 December 2015 were in the range of 1.35% to 2.86% (2014: 1.35% to 2.86%) per annum and such deposits had maturities of less than three months. The deposits earn interests at floating rates based on prevailing market rates.

12 SHARE CAPITAL

	Number of ordinary shares <i>(thousands)</i>	H-Shares of RMB1.00 each <i>RMB'000</i>	Domestic Shares of RMB1.00 each <i>RMB'000</i>	Total <i>RMB'000</i>
Registered, issued and fully paid				
As at 31 December 2015 and 2014	4,330,890	1,879,364	2,451,526	4,330,890

The Domestic shares rank pari passu, in all material respects, with H shares except that all dividends in respect of H shares are declared in RMB and paid in HK dollar. In addition, the transfer of Domestic shares is subject to certain restrictions imposed by the PRC law.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

13 RESERVES

(a) Capital reserve

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

(b) Other reserve

The other reserve represents actuarial gains and losses after tax from experience adjustments and changes in actuarial assumptions for the defined benefit plan.

(c) Statutory and discretionary reserves

In accordance with the relevant laws and regulations of the PRC and the Articles of Association of the Company, when distributing the net profit of each year, the Company shall set aside 10% of its profit after taxation (based on the Company's PRC statutory financial statements) for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the Company's registered capital), and, at the discretion of the Board of Directors, to the discretionary surplus reserve fund. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends. The appropriation to the statutory surplus reserve fund of RMB164,192,000 for the year ended 31 December 2015 (2014: RMB139,123,000) was recorded in the financial statements for the year ended 31 December 2015.

The proposed profit appropriation of RMB328,383,000 to the discretionary surplus reserve fund for the year ended 31 December 2015 has been approved by the Board of Directors on 22 March 2016, which will be recorded in the financial statements for the year ending 31 December 2016. The proposed profit appropriation of RMB278,246,000 to the discretionary surplus reserve fund for the year ended 31 December 2014 has been approved by the Board of Directors on 25 March 2015, which was recorded in the financial statements for the year ended 31 December 2015.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

14 TRADE AND OTHER PAYABLES

	2015 RMB'000	2014 RMB'000
Trade payables (note a)		
Amounts due to related parties		
– CAHC (Note 30(a))	66,382	119,084
– CAHC's subsidiaries (Note 30(a))	323,366	324,746
– a joint venture of the Company (Note 30(a))	96,598	127,009
	486,346	570,839
Repairs and maintenance charges payable	279,588	244,211
Accounts payable for purchases	44,635	38,725
Sub-contracting charges payable	30,358	18,021
Greening and environmental maintenance charges payable	26,876	21,880
Other	134,022	122,789
	1,001,825	1,016,465
Advance and other payables		
Amounts due to related parties		
– CAHC (Note 30(a))	40,929	44,784
– CAHC's subsidiaries (Note 30(a))	81,623	79,922
– a joint venture of the Company (Note 30(a))	14,794	14,528
	137,346	139,234
Deed taxes in respect of the acquisition of the Phase III Assets and the T3D Assets	357,335	312,578
Construction payable	238,311	158,307
Payroll and welfare payable	194,977	110,986
Advance from customers	116,360	55,468
Deposits received	76,918	74,785
Receipts on behalf of concession operators	47,284	–
Other tax payable	24,687	27,848
Other	21,349	30,883
	1,214,567	910,089
	2,216,392	1,926,554



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

14 TRADE AND OTHER PAYABLES (CONTINUED)

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

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

15 BORROWINGS

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

The movement in borrowings is analysed as follows:

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

15 BORROWINGS (CONTINUED)

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

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

- (a) As at 31 December 2015, this loan is denominated in RMB and unsecured. The interest rate has been made by reference to published loan interest rate issued by the People's Bank of China. The principal amount is repayable in May 2016.
- (b) The loan with the remaining amount of RMB1,895,000,000 is denominated in RMB and unsecured. The interest rate is referenced to published loan interest rate issued by People's Bank of China. According to the repayment schedule of the principal amount, RMB5,000,000 will be paid semi-annually commencing on 29 July 2015 through 29 July 2017 and the remaining balance will be paid in 2018. Thus the balance of RMB10,000,000 as at 31 December is reclassified as current liabilities.

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

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

16 BONDS PAYABLE

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

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

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

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

The fair value of the bonds payable at 31 December 2015 is RMB2,996,838,000 which is based on discounted cash flows with the applicable discount rate of 4.75% representing the prevailing market rate of interest available to the Company for financial instruments with substantially the same terms and characteristics as at the balance sheet date. The fair value is within level 2 of the fair value hierarchy.

17 DEFERRED INCOME TAXES

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25% (2014: 25%).

The movement on the deferred income tax account is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
At beginning of year	102,050	35,950
Credited to income tax expenses	30,612	60,585
(Charged)/credit to other comprehensive income	(184)	5,515
At end of year	<u>132,478</u>	<u>102,050</u>



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

17 DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax assets and liabilities during the year is as follows:

Deferred income tax assets	Retirement benefit obligations <i>RMB'000</i>	Accelerated accounting depreciation <i>RMB'000</i>	Provision <i>RMB'000</i>	Accruals and others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2014	44,611	30,967	19,733	19,687	114,998
(Charged)/credit to income tax expense	(154)	(1,222)	3,641	(12,184)	(9,919)
Credited to other comprehensive income	5,515	-	-	-	5,515
As at 31 December 2014	<u>49,972</u>	<u>29,745</u>	<u>23,374</u>	<u>7,503</u>	<u>110,594</u>
As at 1 January 2015	49,972	29,745	23,374	7,503	110,594
Credited to income tax expense	914	2,074	6,963	19,692	29,643
Charged to other comprehensive income	(184)	-	-	-	(184)
As at 31 December 2015	<u>50,702</u>	<u>31,819</u>	<u>30,337</u>	<u>27,195</u>	<u>140,053</u>

Deferred income tax liabilities	Accelerated tax depreciation <i>RMB'000</i>	Other temporary differences <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2014	70,319	8,729	79,048
Credited to income tax expense	(67,549)	(2,955)	(70,504)
As at 31 December 2014	<u>2,770</u>	<u>5,774</u>	<u>8,544</u>
As at 1 January 2015	2,770	5,774	8,544
Credited to income tax expense	(726)	(243)	(969)
As at 31 December 2015	<u>2,044</u>	<u>5,531</u>	<u>7,575</u>



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

17 DEFERRED INCOME TAXES (CONTINUED)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	2015 RMB'000	2014 <i>RMB'000</i>
Deferred income tax assets	140,053	110,594
Deferred income tax liabilities	(7,575)	(8,544)
	132,478	102,050

The amounts shown in the balance sheet include the following:

	2015 RMB'000	2014 <i>RMB'000</i>
Deferred income tax assets to be recovered after more than 12 months	112,512	103,374
Deferred income tax liability to be settled after more than 12 months	7,332	8,301

18 RETIREMENT BENEFIT OBLIGATIONS

As at 31 December 2015, the retirement benefit obligations recognised in the balance sheet are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Pension subsidies (<i>note a</i>)	85,771	92,023
Post-retirement medical benefits (<i>note b</i>)	35,828	32,920
	121,599	124,943
Less: Amounts due within one year included in current liabilities	(7,319)	(7,310)
	114,280	117,633



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

18 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The amounts recognised in the statement of comprehensive income are as follows:

	2015	2014
	RMB'000	RMB'000
Pension subsidies (<i>note a</i>)	6,499	6,947
Post-retirement medical benefits (<i>note b</i>)	2,791	2,265
Total, charged to staff costs (<i>Note 21</i>)	9,290	9,212
Pension subsidies (<i>note a</i>)	(1,228)	16,188
Post-retirement medical benefits (<i>note b</i>)	493	5,872
Total, charged to other comprehensive income	(735)	22,060

(a) Pension subsidies

The amounts recognised in the balance sheet are determined as follows:

	2015	2014
	RMB'000	RMB'000
Present value of the Annuity Plan	89,819	88,422
Present value of unfunded obligations	91,796	87,126
Present value of plan assets	(95,844)	(83,525)
Liability in the balance sheet	85,771	92,023



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

18 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension subsidies (Continued)

The movement in the liability recognised in the balance sheet is as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
At beginning of year	92,023	84,845
Total cost	6,499	6,947
Other comprehensive income – actuary gain and loss	(1,228)	16,188
Contribution to fund the plan assets	(6,267)	(10,746)
Payment made in the year	(5,256)	(5,211)
At end of year	85,771	92,023

The amounts recognised in the statement of comprehensive income are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Service cost	3,774	3,084
Net interest cost	2,725	3,863
	6,499	6,947



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

18 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension subsidies (Continued)

The principal actuarial assumptions at the balance sheet date are as follows:

	2015	2014
Discount rate	3.75%	4.00%
Pension cost inflation rate for the participating employees under the Annuity Plan	3.00%	3.00%
Salary inflation rate for the participating employees under the Annuity Plan	5.00%	5.00%
Employee withdrawal rate	2.85%	2.85%
Mortality rate	note	note

Note: Mortality rates for male and female were made reference to the China Life Incurrence Mortality Table (2000–2003) published by the China Insurance Regulatory commission in 2005.

Plan assets are comprised as follows:

	2015 RMB'000	2014 RMB'000
Cash and cash equivalents	26,250	31,129
Corporate bonds	14,034	29,690
Others	55,560	22,706
Total	<u>95,844</u>	<u>83,525</u>



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

18 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Post-retirement medical benefits

The movement in the liability recognised in the balance sheets is as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
At beginning of year	32,920	25,118
Total cost	2,791	2,265
Other comprehensive income – actuary gain and loss	493	5,872
Payment made in the year	(376)	(335)
At end of year	35,828	32,920

The amounts recognised in the statement of comprehensive income are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Service cost	1,481	1,045
Net interest cost	1,310	1,220
	2,791	2,265

The principal actuarial assumptions at the balance sheet date are as follows:

	2015	2014
Discount rate	3.75%	4.00%
Inflation rate of average medical benefit	7.00%	7.00%
Employee withdrawal rate	2.85%	2.85%
Mortality rate	note	note

Note: Mortality rates for male and female were made reference to the China Life Incurrence Mortality Table (2000–2003) published by the China Insurance Regulatory commission in 2005.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

18 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

- (c) The sensitivity of the retirement benefit obligations to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 25%	Increase by 32%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the retirement benefit obligation to significant actuarial assumptions the same method (present value of the retirement benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (d) Through its retirement benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk The retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities.

- (e) Expected contributions to the Pension subsidies for the year ending 31 December 2016 are RMB6,500,000.

- (f) The weighted average duration of the retirement benefit obligations is 20 years.

- (g) Expected maturity analysis of undiscounted pension subsidies and Post-retirement medical benefits:

At 31 December 2015	Less than a year RMB'000	Between 1–5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Pension subsidies	6,934	27,869	146,812	181,615
Post-retirement medical benefits	384	1,893	33,551	35,828
Total	7,318	29,762	180,363	217,443



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

19 DEFERRED INCOME

The Company received subsidies from government in respect of certain construction projects. Such subsidies are deferred and recognised in the statement of comprehensive income over the estimated useful lives of the related fixed assets.

20 LOANS FROM THE PARENT COMPANY

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

	Loans previously obtained by the Parent Company from		Total
	European Investment Bank <i>(note a)</i> RMB'000	Domestic financial institutions <i>(note b)</i> RMB'000	
As at 31 December 2015			
Loans from the Parent Company	2,315,831	500,000	2,815,831
Less: current portion	(159,713)	(500,000)	(659,713)
	2,156,118	–	2,156,118
As at 31 December 2014			
Loans from the Parent Company	2,332,736	500,000	2,832,736
Less: current portion	(150,499)	–	(150,499)
	2,182,237	500,000	2,682,237



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

20 LOANS FROM THE PARENT COMPANY (CONTINUED)

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

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

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

- (a) This loan is denominated in the US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. The interest is payable semi-annually. The principal amount is repayable by instalments semi-annually commencing on 15 December 2010 with maturity through 15 June 2030.
- (b) This loan is denominated in RMB and unsecured. The interest rate is referenced to published inter-bank repo rates issued by China Foreign Exchange Trading Center & National Interbank Funding Center and repriced every half year. The interest is payable semi-annually. The principal amount will be repayable in full in 2016, thus the book value of RMB500,000,000 as at 31 December 2015 is reclassified as current liabilities.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

21 STAFF COSTS

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Salaries and welfare	361,896	358,799
Pension costs – defined contribution scheme under statutory pension plan (<i>note a</i>)	46,410	41,627
Housing fund	27,830	26,521
Pension costs – defined contribution scheme under the Annuity Plan	23,977	21,960
Pension costs – defined benefit scheme under the Annuity Plan and others (<i>Note 18</i>)	9,290	9,212
Housing subsidies	2,782	3,090
Other allowances and benefits	58,819	55,926
	531,004	517,135

- (a) All of the Company's full-time Chinese employees are covered by a state-sponsored pension plan and are entitled to a monthly pension at their retirement dates. The PRC government is responsible for the pension liability to these retired employees. The Company is required to make monthly contributions to the state-sponsored retirement plan at a rate of 20% (2014: 20%) of the employees' basic salaries subject to a cap determined by the state on an annual basis.
- (b) Staff costs include emoluments payable to the Company's directors and supervisors as set out in Note 31.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

21 STAFF COSTS (CONTINUED)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Company for the year include one director, two supervisors and two senior executives (2014: one director, two supervisors and two senior executives). The emoluments of the director and supervisor are reflected in the analysis presented in Note 31. The emoluments payable to the remaining two (2014: two) individuals during the year are as follows:

	For the year ended 31 December	
	2015 RMB'000	2014 RMB'000
Salary	1,066	1,004
Social security costs excluding pension costs	57	51
Housing allowance	62	48
Employer's contribution to retirement benefit schemes	193	206
	1,378	1,309

During the year ended 31 December 2015, no emoluments were paid by the Company to the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office (2014: nil).

During the year ended 31 December 2015 and 2014, the emoluments of each of the above senior executive paid by the Company were below HKD1,000,000 (approximately equivalent to RMB837,780) individually.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

22 EXPENSES BY NATURE

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

	2015 RMB'000	2014 <i>RMB'000</i>
Depreciation on property, plant and equipment (<i>Note 6</i>)		
– owned assets	1,511,554	1,400,026
– owned assets leased out under operating leases	29,909	24,051
Amortisation of land use rights (<i>Note 7</i>)	28,201	16,335
Amortisation of intangible assets (<i>Note 8</i>)	23,754	13,560
Operating lease rentals		
– Building D of Terminal Three (“T3D”)	–	263,419
– Office building	49,101	47,755
– Land use rights	40,389	39,826
– Information technology center	16,811	16,811
– Other rentals	5,822	17,455
Loss on disposal of property, plant and equipment	7,426	5,769
Provision for impairment of trade receivables (<i>Note 10</i>)	32,519	25,860
Auditor’s remuneration	3,905	3,707
– Audit services	3,420	3,290
– Non-audit services	485	417



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

23 FINANCE INCOME/(COSTS)

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

24 TAXATION

(a) Corporate income tax

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

The Company is subject to corporate income tax at a rate of 25% (2014: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

24 TAXATION (CONTINUED)

(a) Corporate income tax (Continued)

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

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

(b) Business tax and value added tax

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

(c) Real estate tax

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



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

25 EARNINGS PER SHARE

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

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2015 and 2014.

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

26 DIVIDENDS

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

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

27 CONTINGENCIES

The Directors of the Company understand that certain residents living in the vicinity of Beijing Capital Airport have made complaints to the Beijing Municipal Government of the aircraft engine noise created by approaching and departing aircrafts, and requested relocation and/or compensation. The Directors of the Company also understand that the relevant government authorities have been involved in resolving these complaints.

As at 31 December 2015, the outcome was still pending. Any potential financial impact to the Company, if any, will depend on the final resolution of these complaints with the parties involved. Based on advice of legal counsel, the Directors are of the opinion that the final amounts (if any) will be insignificant to the Company, therefore, no provision has been made in the financial statements.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

28 COMMITMENTS

Capital commitments

Capital commitments primarily relate to the construction of the equipment to be installed at the airport terminals and other airport facilities upgrading projects.

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Property, plant and equipment	168,136	2,467,312
Intangible assets	33,151	4,369
	201,287	2,471,681

Operating lease commitments – where the Company is the lessee

As at 31 December 2015, the future aggregate minimum lease payments under non-cancellable operating leases payable to the Parent Company are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
No later than 1 year	54,755	63,131
Later than 1 year and no later than 5 years	148,942	163,444
Later than 5 years	456,598	469,227
	660,295	695,802

Operating lease arrangements – where the Company is the lessor

As at 31 December 2015, the future minimum lease payment receivables under non-cancellable operating leases for buildings and equipment are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
No later than 1 year	722,862	315,092
Later than 1 year and no later than 5 years	378,711	129,305
	1,101,573	444,397



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

28 COMMITMENTS (CONTINUED)

Concession income arrangements

As at 31 December 2015, the future minimum concession income receivable under non-cancellable agreements in respect of the operating rights of retailing, advertising, restaurant and food shops and other businesses are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
No later than 1 year	646,084	69,919
Later than 1 year and no later than 5 years	873,164	112,100
	1,519,248	182,019

29 NOTES TO STATEMENT OF CASH FLOWS

Reconciliation of profit for the year to cash generated from operations:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit for the year	1,641,915	1,391,231
Adjustments for:		
Taxation	551,041	467,808
Depreciation	1,541,463	1,424,077
Amortisation of land use rights	28,201	16,335
Amortisation of intangible assets	23,754	13,560
Provision for impairment of trade receivables	32,519	25,860
Losses on disposal of property, plant and equipment	7,426	5,769
Share of post-tax profits of a joint venture	(8,017)	(4,836)
Interest income	(29,880)	(21,005)
Finance costs	508,492	549,494
Foreign exchange losses, net	135,353	10,611
Retirement benefit obligations	(2,609)	(7,080)
Deferred income	(1,639)	(2,209)
Changes in working capital:		
Inventories	(7,424)	(3,579)
Trade and other receivables	118,383	(250,472)
Trade and other payables	173,055	108,984
Cash generated from operations	4,712,033	3,724,548



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

30 RELATED PARTY TRANSACTIONS

The Company is controlled by CAHC. The Directors of the Company consider CAHC, which is a PRC state-owned enterprise under the control of CAAC, to be the ultimate holding company.

CAHC itself is a state-owned enterprise and is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. In accordance with IAS 24, "Related Party Disclosure", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are also defined as related parties of the Company. On that basis, related parties include CAHC and its subsidiaries (other than the Company), other government-related entities and their subsidiaries, other entities and corporations in which those government-related entities are able to control, jointly control or exercise significant influence and key management personnel of the Company and CAHC as well as their close family members.

The Company is part of a larger group of companies under CAHC and has extensive transactions and relationships with members of the CAHC group. The Directors of the Company consider that the transactions between the Company and the members of the CAHC group are activities in the ordinary course of business.

A significant portion of the Company's business activities are conducted with state-owned enterprises. Sale of services to these state-owned enterprises are at state-prescribed prices which are similar to prices to other customers. The Company considers that these sales are activities in the ordinary course of business. In this connection, the Company has significant trading balances with state-owned enterprises in the ordinary course of business which have similar terms of repayments as balances with third parties.

In addition, a large portion of the Company's bank deposits/borrowings were held at/borrowed from state-owned financial institutions in accordance with the terms as set out in the respective agreements or as mutually agreed between the parties concerned at prevailing market terms and rates.

For the purpose of the related party transaction disclosures, the Directors of the Company believe that meaningful information in respect of related party transactions has been adequately disclosed.

Other than the transactions as disclosed in the respective notes, the following is a summary of significant transactions carried out with related parties in the ordinary course of business.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Balances with related parties

As at 31 December 2015, balances with related parties comprised:

	2015 RMB'000	2014 RMB'000
Trade and other receivables from CAHC and its subsidiaries (Note 10 and (i))	122,690	296,112
Trade and other receivables from a joint venture of the Company (Note 10 and (i))	23,384	3,369
Deposits placed with a subsidiary of CAHC (Note 11 and (ii))	224,678	277,696
Trade and other payables to CAHC (Note 14 and (i))	107,311	163,868
Trade and other payables to a joint venture of the Company (Note 14 and (i))	111,392	141,537
Trade and other payables to CAHC's subsidiaries (Note 14 and (i))	404,989	404,668
Interest payable to the Parent Company	7,903	9,820
Loans from the Parent Company (Note 20)	2,815,831	2,832,736

(i) The amounts due from and to CAHC and its subsidiaries and the Company's joint venture are unsecured and interest free and repayable within the next twelve months, except for the non-current portion of trade and other receivables from CAHC.

(ii) The deposits were entered into in accordance with the terms as set out in the respective agreements. The interest rates were set at prevailing market rates.

**Notes to the Financial Statements (Continued)***For the year ended 31 December 2015***30 RELATED PARTY TRANSACTIONS (CONTINUED)**

(b) Transactions with related parties

	2015 RMB'000	2014 <i>RMB'000</i>
Transactions with CAHC and its subsidiaries (<i>note i</i>)		
Revenues:		
Concessions	74,528	1,975,266
Rentals	247,873	46,443
Finance income:		
Interest income	4,057	3,325
Expenses:		
Purchase of utilities and power	614,483	625,744
Purchase of concession management services	562,519	–
Purchase of aviation safety and security guard services	506,605	463,169
Purchase of certain sanitary services, baggage cart, car park operation management services, management services, greening and environmental maintenance services	199,534	207,712
Purchase of accessorial power and energy services	135,858	141,995
Rental expenses	105,831	375,341
Use of trademark license	73,561	69,354
Use of grounded traffic center	16,215	25,129
Purchase of beverage services	3,815	4,082
Purchase of maintenance services	2,810	3,944
Purchase of airport guidance services	1,693	1,660
Interest charges on loans from the Parent Company (<i>Note 23</i>)	41,435	43,967



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

	2015 RMB'000	2014 RMB'000
Transactions with CAHC and its subsidiaries (<i>note i</i>) (Continued)		
Other:		
Purchase of construction services	70,043	60,926
Transactions with a joint venture of the Company		
Revenue from concessions	842	272
Purchase of terminal maintenance and operating services	352,541	350,277
Purchase of construction services	9,351	2,265

- (i) These transactions constitute connected transactions or continuing connected transactions under the Listing Rules.

These transactions of revenues, expenses in nature and construction services are based on terms as set out in the underlying agreements, based on statutory rates or market prices or actual cost incurred, or as mutually agreed between the Company and the parties in concern.

(c) Commitment with related parties

Operating lease commitments – where the Company is the lessee

As at 31 December 2015, the future aggregate minimum lease payments under non-cancellable operating leases payable to the Parent Company are as follows:

	2015 RMB'000	2014 RMB'000
No later than 1 year	54,755	63,131
Later than 1 year and no later than 5 years	148,942	163,444
Later than 5 years	456,598	469,227
Total	660,295	695,802



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Commitment with related parties (Continued)

Operating lease arrangements – where the Company is the lessor

As at 31 December 2015, the future minimum lease payment receivables under non-cancellable operating leases for buildings and equipment from CAHC's subsidiaries are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
No later than 1 year	210,843	20,183
Later than 1 year and no later than 5 years	198,629	212
Total	<u>409,472</u>	<u>20,395</u>

Purchase of service

As at 31 December 2015, the future minimum expense payables under non-cancellable agreements to CAHC's subsidiaries are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
No later than 1 year	288,418	371,135
Later than 1 year and no later than 5 years	108,582	19,066
Total	<u>397,000</u>	<u>390,201</u>

Guarantee of bonds

As at 31 December 2015, bonds issued by the Company guaranteed by CAHC are as follows:

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Amount of bonds	<u>3,000,000</u>	<u>4,900,000</u>



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Commitment with related parties (Continued)

Transfer of assets

As at 31 December 2015, the future minimum transfer prices of assets payable under non-cancellable agreements to CAHC are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
No later than 1 year	<u>—</u>	<u>2,240,000</u>

(d) Key management compensation

	2015 RMB'000	2014 <i>RMB'000</i>
Salaries, allowances and other benefits	<u>5,153</u>	<u>5,850</u>

31 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and Supervisors' emoluments

The aggregated amounts of emoluments payable to directors and supervisors of the Company during the year are as follows:

	2015 RMB'000	2014 <i>RMB'000</i>
Fees	800	800
Salary	1,679	1,963
Social security costs excluding pension costs	116	131
Housing allowance	116	122
Employer's contribution to retirement benefit schemes	349	454
Total	<u>3,060</u>	<u>3,470</u>



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2015 are set out below:

Name of director	Fees RMB'000	Salary RMB'000	Social security costs excluding pension costs RMB'000	Housing allowance RMB'000	Employer's contribution to retirement benefit schemes RMB'000	Total RMB'000
Liu Xuesong (note i, iii and v)	-	-	-	-	-	-
Shi Boli (note iii and v)	-	157	21	19	34	231
Gao Lijia (note iii)	-	495	28	26	118	667
Yao Yabo (note i)	-	-	-	-	-	-
Zhang Musheng (note i)	-	-	-	-	-	-
Ma Zheng (note i and iv)	-	-	-	-	-	-
Cheng Chi Ming, Brian (note ii and iv)	-	-	-	-	-	-
Liu Guibin	150	-	-	-	-	150
Jiang Ruiming	150	-	-	-	-	150
Japhet Sebastian Law	150	-	-	-	-	150
Wang Xiaolong	150	-	-	-	-	150
Name of supervisor						
Liu Yanbin (note i)	-	-	-	-	-	-
Song Shengli (note vii)	-	104	11	10	18	143
Dong Ansheng	100	-	-	-	-	100
Lau Siu Ki (note vii)	100	-	-	-	-	100
Li Xiaomei (note vi)	-	-	-	-	-	-
Deng Xianshan	-	445	28	26	89	588
Chang Jun	-	478	28	35	90	631
	800	1,679	116	116	349	3,060



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2014 are set out below:

Name of director	Fees	Salary	Social security costs excluding pension costs	Housing allowance	Employer's contribution to retirement benefit schemes	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Liu Xuesong (note i, iii and v)	-	-	-	-	-	-
Shi Boli (note iii and v)	-	202	20	18	30	270
Gao Lijia (note iii)	-	467	25	24	125	641
Yao Yabo (note i)	-	-	-	-	-	-
Zhang Musheng (note i)	-	-	-	-	-	-
Ma Zheng (note i and iv)	-	-	-	-	-	-
Cheng Chi Ming, Brian (note ii and iv)	-	-	-	-	-	-
Dong Zhiyi (note i and iii)	-	-	-	-	-	-
Zhang Guanghui (note iii)	-	65	6	6	35	112
Gao Shiqing (note i and iii)	-	-	-	-	-	-
Chen Guoxing (note i and iii)	-	-	-	-	-	-
Lau Eng Boon (note ii and iv)	-	-	-	-	-	-
Liu Guibin	150	-	-	-	-	150
Jiang Ruiming	150	-	-	-	-	150
Japhet Sebastian Law	150	-	-	-	-	150
Wang Xiaolong	150	-	-	-	-	150



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

The emoluments of each director and supervisor for the year ended 31 December 2014 are set out below: (Continued)

Name of supervisor	Fees	Salary	Social security costs excluding pension costs	Housing allowance	Employer's contribution to retirement benefit schemes	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Liu Yanbin (note i)	-	-	-	-	-	-
Song Shengli (note vii)	-	202	20	18	30	270
Dong Ansheng	100	-	-	-	-	100
Lau Siu Ki (note vii)	100	-	-	-	-	100
Li Xiaomei (note vi)	-	163	8	8	47	226
Deng Xianshan	-	401	26	24	105	556
Chang Jun	-	463	26	24	82	595
Zhao Jinglu (note i and viii)	-	-	-	-	-	-
Cui Youjun (note i and viii)	-	-	-	-	-	-
Kwong Che Keung (note vii)	-	-	-	-	-	-
	800	1,963	131	122	454	3,470

Notes:

- (i) The emoluments of these directors and supervisors which were not included in directors' and supervisors' emoluments, were paid by the Parent Company.
- (ii) The emoluments of these directors were paid by a shareholder or former shareholder of the Company.
- (iii) Mr. Liu Xuesong, Mr. Shi Boli and Ms. Gao Lijia were appointed as executive directors on 30 June 2014. Mr. Dong Zhiyi, Mr. Zhang Guanghui, Mr. Gao Shiqing and Mr. Chen Guoxing resigned from directors on 30 June 2014.
- (iv) Mr. Ma Zheng was appointed as non-executive director on 18 December 2014, Mr. Cheng Chi Ming, Brian was appointed as non-executive director on 26 February 2014. Mr. Lau Eng Boon resigned from non-executive director on 26 February 2014.
- (v) Mr. Liu Xuesong was appointed as the chief executive on 17 September 2015. Mr. Shi Boli resigned from director and the chief executive on 17 September 2015.



Notes to the Financial Statements (Continued)

For the year ended 31 December 2015

31 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(a) Directors' and Supervisors' emoluments (Continued)

- (vi) Ms. Li Xiaomei resigned from supervisor on 18 March 2015.
- (vii) Mr. Song Shengli and Mr. Lau Siu Ki were appointed as supervisors on 30 June 2014. Mr. Kwong Che Keung resigned from supervisor on 30 June 2014.
- (viii) Ms. Zhao Jinglu and Mr. Cui Youjun resigned from supervisors on 13 March 2014.

No directors waived or agreed to waive any emoluments during the year.

During the year ended 31 December 2015, no emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office (2014: nil).

(b) Directors' and supervisors' retirement benefits

During the year ended 31 December 2015, no retirement benefits were paid or receivable by any director or supervisor in respect of their services as a director or supervisor of the Company (2014: nil).

(c) Directors' and supervisors' termination benefits

During the year ended 31 December 2015, no termination benefits were paid or receivable by any director or supervisor as compensation for their early termination of the appointment (2014: nil).

(d) Consideration provided to third parties for making available directors' and supervisors' services

During the year ended 31 December 2015, no payment was made to the former employer of directors or supervisors for making available for the service as a director or supervisor of the Company (2014: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors

During the year ended 31 December 2015, there was no loans, quasi-loans and other dealings in favour of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors (2014: nil).

(f) Directors' and supervisors' material interests in transactions, arrangements or contracts

During the year ended 31 December 2015, no significant transaction; arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time of the year (2014: nil).



Company Information

COMPANY INFORMATION

Registered name:	北京首都國際機場股份有限公司
English name:	Beijing Capital International Airport Company Limited
First registration date:	15 October 1999
Registered address:	Capital Airport, Beijing, the People's Republic of China
Principal address of business in Hong Kong:	21/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong
Legal representative:	Mr. Liu Xuesong
Company secretary:	Mr. Shu Yong
Contact for the Company's Investor relations:	Secretariat to the Board
Major banks:	Bank of China Industrial and Commercial Bank of China
Auditor:	PricewaterhouseCoopers

BOARD OF DIRECTORS

Executive Directors

Liu Xuesong (*Chairman*)
Gao Lijia (*Vice Executive President*)

Non-executive Directors

Yao Yabo
Zhang Musheng
Ma Zheng
Cheng Chi Ming, Brian

Independent Non-executive Directors:

Japhet Sebastian Law
Wang Xiaolong
Jiang Ruiming
Liu Guibin

COMMITTEES

Audit Committee

Liu Guibin
Japhet Sebastian Law
Wang Xiaolong
Jiang Ruiming



Company Information (Continued)

Remuneration and Evaluation Committee

Japhet Sebastian Law
Wang Xiaolong
Jiang Ruiming
Liu Guibin
Zhang Musheng
Gao Lijia

Nomination Committee

Jiang Ruiming
Japhet Sebastian Law
Wang Xiaolong
Liu Guibin
Liu Xuesong

Strategy Committee

Liu Xuesong
Gao Lijia
Cheng Chi Ming, Brian
Wang Xiaolong

SHAREHOLDER INFORMATION

Website:	www.bcia.com.cn
E-mail address:	ir@bcia.com.cn
Fax number:	8610 6450 7700
Contact address:	Secretariat to the Board Beijing Capital International Airport Company Limited Beijing, China
Zip Code:	100621
Registrar and Transfer Office:	Hong Kong Registrars Limited 1712–1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong

FINANCE CALENDAR OF 2015

Announcement of interim results:	27 August 2015
Announcement of final results:	22 March 2016

SHARE INFORMATION

Name of H shares:	Beijing Airport
Stock code:	00694



Price and Turnover History

Year 2015	Price per share		Turnover of share <i>(in millions)</i>
	High <i>(HK\$)</i>	Low <i>(HK\$)</i>	
January	8.01	6.24	233.7
February	7.61	6.83	98.4
March	7.70	7.01	119.0
April	9.00	7.62	176.4
May	9.54	7.40	168.6
June	9.71	8.41	176.0
July	9.13	7.22	147.2
August	8.93	7.68	178.3
September	8.30	6.94	139.4
October	8.75	7.20	112.4
November	8.94	7.76	87.9
December	8.95	7.84	69.7



BEIJING CAPITAL INTERNATIONAL AIRPORT COMPANY LIMITED

Capital Airport, Beijing, the People's Republic of China (100621)

Tel : 8610 6450 7789

E-mail : ir@bcia.com.cn

