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北京首都國際機場股份有限公司

Beijing Capital International Airport Co., Ltd.

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

(Stock Code: 00694)

2022 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- In 2022, the aircraft movements of Beijing Capital Airport reached 157,630 sorties, representing a decrease of approximately 47.1% as compared with the previous year. The passenger throughput reached 12,703,342 person-times, representing a decrease of approximately 61.1% as compared with the previous year. The cargo and mail throughput reached 988,675 tonnes, representing a decrease of approximately 29.4% as compared with the previous year.
- In 2022, the revenues of the Company from principal operations were RMB2,230,948,000, representing a decrease of approximately 33.3% as compared with the previous year.
- In 2022, the aeronautical revenues of the Company were RMB710,728,000, representing a decrease of approximately 47.1% as compared with the previous year.
- In 2022, the non-aeronautical revenues of the Company were RMB1,520,220,000, representing a decrease of approximately 24.1% as compared with the previous year.
- In 2022, the operating expenses of the Company were RMB5,788,744,000, representing a decrease of approximately 4.3% as compared with the previous year.
- In 2022, the net loss after tax of the Company was RMB3,526,635,000 (the loss per share was approximately RMB0.77), representing an increase of approximately 66.6% as compared with the net loss after tax of RMB2,116,537,000 for the previous year.
- The Board did not propose to distribute any final dividend for the year ended 31 December 2022.

The board of directors (the “**Board**”) of Beijing Capital International Airport Co., Ltd. (the “**Company**”) hereby announces audited results of the Company for the year ended 31 December 2022, together with the comparative figures of 2021, which have been prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”), as below:

STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	2022 RMB’000	2021 <i>RMB’000</i>
Revenues			
Aeronautical	3	710,728	1,342,969
Non-aeronautical	3	1,520,220	2,001,740
		2,230,948	3,344,709
Operating expenses			
Depreciation and amortisation		(1,553,463)	(1,572,645)
Aviation safety and security guard costs		(919,371)	(920,343)
Repairs and maintenance		(894,261)	(1,009,467)
Staff costs		(530,520)	(550,101)
Utilities and power		(506,526)	(546,704)
Operating contracted services		(426,778)	(444,930)
Greening and environmental maintenance		(284,981)	(295,319)
Real estate and other taxes		(236,435)	(235,205)
Concession management fees		(133,743)	(221,231)
Other costs		(302,666)	(250,644)
	4	(5,788,744)	(6,046,589)
(Impairment losses)/reversal of impairment losses on financial assets		(105,468)	12,085
Other income		5,688	14,447
Other losses		—	(4,874)
Operating loss		(3,657,576)	(2,680,222)

		2022	2021
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finance income	5	22,952	80,829
Finance costs	5	<u>(367,511)</u>	<u>(221,021)</u>
		<u>(344,559)</u>	<u>(140,192)</u>
Loss before income tax		<u>(4,002,135)</u>	<u>(2,820,414)</u>
Income tax credit	6	<u>475,500</u>	<u>703,877</u>
Loss for the year		<u>(3,526,635)</u>	<u>(2,116,537)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations		<u>(30,492)</u>	<u>(349)</u>
Other comprehensive income for the year, net of tax		<u>(30,492)</u>	<u>(349)</u>
Total comprehensive loss for the year		<u>(3,557,127)</u>	<u>(2,116,886)</u>
Loss per share, basic and diluted (RMB)	7	<u>(0.77)</u>	<u>(0.46)</u>

BALANCE SHEET

		As at 31 December	
		2022	2021
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Investment properties		2,810,427	2,902,097
Property, plant and equipment		23,451,708	24,483,392
Right-of-use assets		2,028,119	2,206,263
Intangible assets		113,197	115,205
Deferred income tax assets		2,050,195	1,564,531
Other non-current assets		262,352	256,393
		<u>30,715,998</u>	<u>31,527,881</u>
Current assets			
Inventories		218,299	218,341
Trade receivables	8	666,898	857,955
Prepayments		5,525	36,361
Other financial assets at amortised cost		38,562	53,938
Financial assets at fair value through profit or loss		6,866	6,866
Notes receivable		58,335	—
Other current assets		182,504	221,521
Cash and cash equivalents		1,590,413	2,224,473
		<u>2,767,402</u>	<u>3,619,455</u>
Total assets		<u>33,483,400</u>	<u>35,147,336</u>
EQUITY			
Capital and reserves			
Share capital		4,579,179	4,579,179
Share premium		6,300,867	6,300,867
Capital reserve	9	235,954	248,715
Other reserve		(26,857)	3,635
Statutory and discretionary reserves		6,809,588	6,809,588
(Accumulated losses)/Retained earnings		(1,293,811)	2,232,824
Total equity		<u>16,604,920</u>	<u>20,174,808</u>

		As at 31 December	
		2022	2021
	<i>Note</i>	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Long-term borrowings	11	198,641	2,788,441
Bonds payable	12	–	1,298,264
Loans from the Parent Company	13	1,104,724	1,166,899
Lease liabilities		615,236	677,383
Retirement benefit obligations		141,809	103,762
Deferred income		28,530	31,132
		<u>2,088,940</u>	<u>6,065,881</u>
Current liabilities			
Short-term borrowings	11	6,204,173	1,701,132
Trade and other payables	10	6,923,516	6,818,033
Current portion of long-term borrowings	11	382	3,308
Current portion of bonds payable	12	1,314,539	15,236
Current portion of loans from the Parent Company	13	173,139	155,963
Current portion of lease liabilities		164,792	204,503
Current portion of retirement benefit obligations		8,999	8,472
		<u>14,789,540</u>	<u>8,906,647</u>
Total liabilities		<u>16,878,480</u>	<u>14,972,528</u>
Total equity and liabilities		<u>33,483,400</u>	<u>35,147,336</u>

STATEMENT OF CHANGES IN EQUITY

		Share capital	Share premium	Capital reserve	Other reserve	Statutory and discretionary reserves	Retained earnings	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021		4,579,179	6,300,867	195,255	3,984	6,809,588	4,349,361	22,238,234
Loss for the year		-	-	-	-	-	(2,116,537)	(2,116,537)
Other comprehensive loss for the year		-	-	-	(349)	-	-	(349)
Total comprehensive loss for the year		-	-	-	(349)	-	(2,116,537)	(2,116,886)
Cash contribution from the Parent Company		-	-	53,460	-	-	-	53,460
Balance at 31 December 2021		<u>4,579,179</u>	<u>6,300,867</u>	<u>248,715</u>	<u>3,635</u>	<u>6,809,588</u>	<u>2,232,824</u>	<u>20,174,808</u>
Balance at 1 January 2022		4,579,179	6,300,867	248,715	3,635	6,809,588	2,232,824	20,174,808
Loss for the year		-	-	-	-	-	(3,526,635)	(3,526,635)
Other comprehensive loss for the year		-	-	-	(30,492)	-	-	(30,492)
Total comprehensive loss for the year		-	-	-	(30,492)	-	(3,526,635)	(3,557,127)
Others	9	-	-	(12,761)	-	-	-	(12,761)
Balance at 31 December 2022		<u>4,579,179</u>	<u>6,300,867</u>	<u>235,954</u>	<u>(26,857)</u>	<u>6,809,588</u>	<u>(1,293,811)</u>	<u>16,604,920</u>

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 Limited Company (“**CAH**” or the “**Parent Company**”), a state-owned enterprise established in the PRC under the control of the Civil Aviation Administration of China (the “**CAAC**”).

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

At the beginning of 2023, the civil aviation industry is embracing a remarkable recovery with overall positive outlook, in light of the stronger travel demand and renewed market confidence. The industry is presented with ample development opportunities. Nonetheless, at the same time, the Company is also profoundly aware that the risk of the external environment still exists, which may disrupt the operation and development of the industry. While the industry is rapidly recovering it will take time for it to fully recover as there is increased pressure on the coordination of safety and development. Therefore, the Company may be faced with ups and downs and challenges in terms of the increase in business volume and the enhancement of operational performance of Beijing Capital Airport.

These financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and were approved for issue by the Board of Directors on 30 March 2023.

2 BASIS OF PREPARATION

a) Compliance with IFRS and the disclosure requirements of HKCO

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

b) Historical cost convention

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

c) Going concern

During the year ended 31 December 2022, the Company reported a net loss for the year of RMB3,526,635,000 (2021: RMB2,116,537,000) and a net cash outflow from operating activities of RMB1,501,321,000 (2021: RMB621,485,000). As at 31 December 2022, the current liabilities of the Company exceeded the current assets by RMB12,022,138,000 (2021: RMB5,287,192,000). Included in the current liabilities were mainly borrowings, loans and bonds totalling RMB7,692,233,000 repayable within one year from the year end date. On the same date, the Company had cash and cash equivalents of RMB1,590,413,000.

Management has prepared a cash flow projection, which covers a period of not less than twelve months from 31 December 2022. The directors of the Company have reviewed the Company's cash flow projection prepared by management and are of the opinion that the Company will have sufficient financial resources, including the cash inflow from operating activities and the unutilised facilities from banks and the Parent Company, to finance its operations and to meet its financial obligations as at and when they fall due within twelve months from 31 December 2022. Accordingly, the directors of the Company have prepared the financial statements on a going concern basis.

d) New and amended standards adopted by the Company

The Company has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3.

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

e) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. The Company has already taken initial actions to assess the impact of these new or revised standards, interpretation and amendments, and will make further assessment of the impact in the future.

3 REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the Company's internal reporting in order to assess performance and allocate resources.

The Company is principally engaged in a single business of operating and managing an airport and provision of related services in the Mainland China. Resources are allocated based on what is beneficial to the Company in enhancing the value as a whole rather than any special unit. The Board of Directors considers the performance assessment of the Company should be based on the results of the Company as a whole. Therefore, the Board of Directors considers that there is only one operating segment under the requirement of IFRS 8.

Analysis of revenues by category	2022 RMB'000	2021 RMB'000
Aeronautical:		
Aircraft movement fees and related income	499,443	821,902
Passenger income	211,285	521,067
	710,728	1,342,969
Non-aeronautical:		
Rental income	741,233	861,138
Concession revenue (<i>note a</i>)	675,551	951,269
Resources usage income	85,010	165,738
Others	18,426	23,595
	1,520,220	2,001,740
Total revenues	2,230,948	3,344,709

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Advertising	480,378	720,192
Retailing	81,229	55,016
Restaurants and food shops	42,908	98,158
Car parking	22,141	40,733
VIP services	18,322	–
Others	30,573	37,170
	<u>675,551</u>	<u>951,269</u>

As the Company is domiciled in the Mainland China from where all of its revenues from external customers for the years ended 31 December 2022 and 2021 are derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2022, among the customers, approximately 31% (2021: 30% and 10%) of the total revenues were derived from one (2021: two) external customer, while others did not exceed 10% of the total revenue for the year ended 31 December 2022.

Aeronautical revenues and Non-aeronautical revenues - others are recognised over time by reference to the progress towards complete satisfaction of the respective performance obligation at the reporting date.

4 EXPENSES BY NATURE

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Depreciation on property, plant and equipment	1,202,805	1,226,376
Depreciation of rights-of-use assets	216,716	209,438
Depreciation on investment properties	91,670	91,670
Amortisation of intangible assets	42,272	45,161
Loss on disposal of property, plant and equipment	24,369	454
Auditor's remunerations		
– Audit services	3,430	3,450

5 FINANCE INCOME/(COSTS)

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Finance income		
Interest income on bank deposits	22,952	45,097
Exchange gains, net	<u>–</u>	<u>35,732</u>
	<u>22,952</u>	<u>80,829</u>
Finance costs		
Interest expenses on borrowings	(129,118)	(120,649)
Exchange losses, net	(120,906)	–
Interest expenses on bonds payable	(49,659)	(49,784)
Interest expenses on lease liabilities	(36,146)	(41,405)
Interest expenses on loans from the Parent Company	(30,526)	(7,987)
Bank charges	<u>(1,156)</u>	<u>(1,196)</u>
	<u>(367,511)</u>	<u>(221,021)</u>
Net finance costs	<u><u>(344,559)</u></u>	<u><u>(140,192)</u></u>

6 TAXATION

(a) Corporate income tax

The Company is subject to corporate income tax at a rate of 25% (2021: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current income tax	–	(2,047)
Deferred income tax	<u>(475,500)</u>	<u>(701,830)</u>
	<u><u>(475,500)</u></u>	<u><u>(703,877)</u></u>

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

	2022 RMB'000	2021 <i>RMB'000</i>
Loss before income tax	<u>(4,002,135)</u>	<u>(2,820,414)</u>
Tax calculated at a tax rate of 25% (2021: 25%)	(1,000,534)	(705,104)
Deductible tax losses for which no deferred tax asset was recognised	521,446	–
Expenses not deductible for tax purpose	<u>3,588</u>	<u>3,274</u>
Tax credit	<u><u>(475,500)</u></u>	<u><u>(701,830)</u></u>

7 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of 4,579,178,977 (2021: 4,579,178,977) ordinary shares in issue during the year.

Diluted loss per share equals basic loss per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2022 and 2021.

	2022	2021
Loss for the year (<i>RMB'000</i>)	(3,526,635)	(2,116,537)
Basic loss per share (<i>RMB per share</i>)	<u><u>(0.77)</u></u>	<u><u>(0.46)</u></u>

The Board did not propose to distribute the final dividend for the year ended 31 December 2022.

8 TRADE RECEIVABLES

	2022 RMB'000	2021 <i>RMB'000</i>
Trade receivables		
– CAH's subsidiaries	334,909	272,095
– third parties	<u>767,243</u>	<u>1,013,610</u>
	1,102,152	1,285,705
Less: provision for impairment	<u>(435,254)</u>	<u>(427,750)</u>
	<u><u>666,898</u></u>	<u><u>857,955</u></u>

At 31 December 2022, the ageing analysis of the trade receivables based on invoice date is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Less than 3 months	326,215	448,364
4 – 6 months	167,590	167,516
7 – 12 months	135,015	258,748
1 – 2 years	178,599	111,953
2 – 3 years	32,947	80,121
Over 3 years	261,786	219,003
	<u>1,102,152</u>	<u>1,285,705</u>

9 CAPITAL RESERVE

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

10 TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current liabilities		
Trade payables		
Amounts due to related parties		
– CAH's subsidiaries	<u>2,039,032</u>	<u>1,556,219</u>
Repairs and maintenance charges payable	579,259	579,808
Greening and environmental maintenance charges payable	98,629	54,280
Accounts payable for purchases	91,038	104,087
Sub-contracting charges payable	63,008	57,260
Other	<u>249,175</u>	<u>236,713</u>
	<u>3,120,141</u>	<u>2,588,367</u>
Advance and other payables		
Amounts due to related parties		
– CAH	31,563	130,550
– CAH's subsidiaries	<u>63,122</u>	<u>78,420</u>
	94,685	208,970
Accrued liabilities for the acquisition consideration of the GTC		
Assets*	1,508,693	1,508,693
Construction payable	828,312	1,019,409
Deed taxes in respect of the acquisition of the Phase III		
Assets**, the T3D Assets and the GTC Assets	465,948	465,948
Payroll and welfare payable	330,234	374,503
Deposits received	265,413	295,000
Advance from customers	265,189	313,526
Receipts on behalf of concession operators	9,399	9,565
Other tax payable	11,611	11,211
Other	<u>24,568</u>	<u>22,841</u>
	<u>3,803,375</u>	<u>4,229,666</u>
	<u><u>6,923,516</u></u>	<u><u>6,818,033</u></u>

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

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

*** In 2015, the Company acquired Zone D of T3 and its ancillary assets from the Parent Company, which were collectively referred to as the T3D Assets.

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

As at 31 December 2022, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2022 RMB'000	2021 <i>RMB'000</i>
Less than 3 months	1,215,505	1,211,459
4 – 6 months	308,932	294,988
7 – 12 months	333,237	178,829
Over 12 months	1,262,467	903,091
	<u>3,120,141</u>	<u>2,588,367</u>

11 BORROWINGS

	2022 RMB'000	2021 <i>RMB'000</i>
Short-term		
– Principals	6,200,000	1,700,000
– Interest payable within one year	4,173	1,132
	<u>6,204,173</u>	<u>1,701,132</u>
Long-term		
– Non-current portion	198,641	2,788,441
– Current portion	200	400
– Interest payable within one year	182	2,908
	<u>199,023</u>	<u>2,791,749</u>
	<u>6,403,196</u>	<u>4,492,881</u>

The movement in principals of borrowings is analysed as follows:

	2022 RMB'000	2021 <i>RMB'000</i>
Opening amount as at 1 January	4,488,841	2,868,909
Proceeds of new borrowings	6,200,000	4,920,332
Repayments of borrowings	<u>(4,290,000)</u>	<u>(3,300,400)</u>
Closing amount as at 31 December	<u>6,398,841</u>	<u>4,488,841</u>

As at 31 December 2022, bank borrowings principals of RMB1,500,000,000 (2021: RMB3,099,800,000) are unsecured, mature until 2023 and bear average coupons of 2.91% annually (2021: 3.24% annually).

As at 31 December 2022, other borrowings principals of RMB4,898,841,000 (2021: RMB1,389,041,000) are unsecured, mature until 2023 and 2024 and bear average coupons of 2.14% annually (2021: 2.92% annually).

As at 31 December 2022, the Company's principals of borrowings are repayable as follows:

	2022 RMB'000	2021 <i>RMB'000</i>
Within 1 year	6,200,200	1,700,400
Between 1 and 2 years	198,641	400
Between 2 and 5 years	<u>–</u>	<u>2,788,041</u>
	<u>6,398,841</u>	<u>4,488,841</u>

12 BONDS PAYABLE

	2022 RMB'000	2021 <i>RMB'000</i>
Principal amount	1,300,000	1,300,000
Bonds issuance cost	<u>(3,092)</u>	<u>(3,092)</u>
Proceeds received	1,296,908	1,296,908
Interest payable	15,235	15,236
Accumulated amortisation amounts of bonds issuance cost	<u>2,396</u>	<u>1,356</u>
	1,314,539	1,313,500
Less: current portion	<u>(1,314,539)</u>	<u>(15,236)</u>
Non-current portion	<u>–</u>	<u>1,298,264</u>

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

13 LOANS FROM THE PARENT COMPANY

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Loans from the Parent Company		
– Principals	1,274,681	1,322,486
– Interest payable within one year	<u>3,182</u>	<u>376</u>
	1,277,863	1,322,862
Less: current portion	<u>(173,139)</u>	<u>(155,963)</u>
	<u>1,104,724</u>	<u>1,166,899</u>

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Opening amount as at 1 January	1,322,486	1,512,660
Repayments of borrowings	(169,785)	(154,118)
Currency translation differences	<u>121,980</u>	<u>(36,056)</u>
Closing amount as at 31 December	<u>1,274,681</u>	<u>1,322,486</u>

As at 31 December 2022, the Company's principals of loans from the Parent Company are repayable as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	169,957	155,587
Between 1 and 2 years	169,957	155,587
Between 2 and 5 years	509,871	466,761
Over 5 years	<u>424,896</u>	<u>544,551</u>
	<u>1,274,681</u>	<u>1,322,486</u>

This loan is denominated in US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. As at 31 December 2022, the Company was yet to complete the replacement of benchmark interest rate. The interest is payable semi-annually. The principal amount is repayable by instalments semi-annually commencing on 15 December 2010 with maturity on 15 June 2030.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2022, the Company's business performance continued to face great challenges. As for the revenues, the revenues from principal operations were RMB2,230,948,000, representing a decrease of approximately 33.3% as compared with the previous year. In particular, under the impact of the external environment and industry landscape, the transportation and operation of China's civil aviation industry slipped down into the trough, while the air traffic volumes of Beijing Capital Airport continued to decrease. The aeronautical revenues recorded a significant decrease to RMB710,728,000, representing a decrease of approximately 47.1% as compared with the previous year. Under the continuous impact of the external environment on the passenger throughput and commercial resources, the non-aeronautical revenues amounted to RMB1,520,220,000, representing a decrease of approximately 24.1% as compared with the previous year. As for the costs, as the majority of building repair projects were completed in the previous year, the repair and maintenance expenses for the year decreased accordingly. In addition, the non-aeronautical concession revenue continued to decrease, which led to a corresponding decrease in the concession management fees. Due to the combined effects of these factors, the operating expenses of the Company in 2022 were RMB5,788,744,000, representing a decrease of approximately 4.3% from the previous year.

Overview of Aeronautical Business

In 2022, under the impact of the industry landscape, the air traffic volumes of domestic routes (excluding Hong Kong, Macau and Taiwan) of Beijing Capital Airport remained at a low level. In respect of the air traffic volumes of international routes, due to the continuous impact of various factors such as the external environment and the demand for international aviation transportation, the aircraft movements and passenger throughput of international routes continued to decrease as compared with the previous year. In respect of the air traffic volumes of Hong Kong, Macau and Taiwan routes, benefiting from the slight recovery of the regional routes, the aircraft movements of Hong Kong, Macau and Taiwan routes rebounded slightly as compared with the previous year. However, the passenger throughput continued to decrease as compared with the previous year.

In 2022, the cumulative aircraft movements at Beijing Capital Airport reached 157,630 sorties, representing a decrease of approximately 47.1% as compared with the previous year. The cumulative passenger throughput reached 12,703,342 person-times, representing a decrease of approximately 61.1% as compared with the previous year. The cumulative cargo and mail throughput reached 988,675 tonnes, representing a decrease of approximately 29.4% as compared with the previous year. Detailed information is set out in the table below:

	2022	2021	Change
Aircraft Movements (<i>unit: sorties</i>)	157,630	298,176	-47.1%
Domestic	136,725	269,166	-49.2%
Including: Hong Kong, Macau & Taiwan	4,978	4,957	0.4%
International	20,905	29,010	-27.9%
Passenger Throughput (<i>unit: person-times</i>)	12,703,342	32,639,013	-61.1%
Domestic	12,451,999	32,452,805	-61.6%
Including: Hong Kong, Macau & Taiwan	204,363	209,607	-2.5%
International	251,343	186,208	35.0%
Cargo and Mail Throughput (<i>unit: tonnes</i>)	988,675	1,401,313	-29.4%
Domestic	510,193	726,760	-29.8%
Including: Hong Kong, Macau & Taiwan	66,987	67,278	-0.4%
International	478,482	674,553	-29.1%

Aeronautical Revenues

	2022	2021	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Aircraft movement fees and related income	499,443	821,902	-39.2%
Passenger service income	211,285	521,067	-59.5%
Total aeronautical revenues	710,728	1,342,969	-47.1%

In 2022, the total aeronautical revenues of the Company were RMB710,728,000, representing a decrease of approximately 47.1% as compared with the previous year. In particular, revenues from aircraft movement fees and related income were RMB499,443,000, representing a decrease of approximately 39.2% as compared with the previous year, which was primarily attributable to the fact that the aviation market remained sluggish during the year, resulting in a significant decrease in the aircraft movement fees and related income. Meanwhile, due to the longer ground time of aircrafts at the airport, the parking income was not reduced in proportion with the decrease in aircraft movements. Therefore, the extent of decrease in revenues from aircraft movement fees and related income was smaller than the extent of decrease in aircraft movements. Revenues from passenger service income were RMB211,285,000, representing a decrease of approximately 59.5% as compared with the previous year, which was substantially in line with the decrease in passenger throughput.

Non-Aeronautical Revenues

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	Change
Concessions	675,551	951,269	-29.0%
Including: Advertising	480,378	720,192	-33.3%
Retailing	81,229	55,016	47.6%
Restaurants and food shops	42,908	98,158	-56.3%
Car parking services	22,141	40,733	-45.6%
VIP services	18,322	—	100.0%
Other concessions	30,573	37,170	-17.7%
Rental income	741,233	861,138	-13.9%
Resources usage income	85,010	165,738	-48.7%
Others	18,426	23,595 (Note 1)	-21.9%
Non-aeronautical revenues	1,520,220	2,001,740	-24.1%

Note 1: The figure of other revenues was different from those set out in the 2021 annual report as the original revenues from car parking fees were consolidated into other revenues.

In 2022, the non-aeronautical revenues of the Company were RMB1,520,220,000, representing a decrease of approximately 24.1% as compared with the previous year. In 2022, the concession revenues of the Company were RMB675,551,000, representing a decrease of approximately 29.0% as compared with the previous year. Among these, the revenues from advertising were RMB480,378,000, representing a decrease of approximately 33.3% as compared with the previous year, which is mainly caused by the decrease in the relevant revenues due to the changes in passenger throughput given that the calculation of the revenues from advertising was linked to passenger throughput and that the operating fees for advertising business were partially waived under the relief and waiver policy of the Company for eligible advertising business operators. The revenues from retailing were RMB81,229,000, representing an increase of approximately 47.6% as compared with the previous year, which was mainly due to the amortised recognition of relevant concession revenues based on the supplementary agreement relating to international retail business, resulting in a significant growth in the revenues from retailing as compared with the previous year. The revenues from restaurants and food shops were RMB42,908,000, representing a decrease of approximately 56.3% as compared with the previous year. This was, firstly, attributable to the adjustment of contractual amounts under the guaranteed operation policy adopted by the Company for certain tenants, and the fact that certain tenants did not renew their contracts upon expiry; and, secondly, attributable to the rental waivers granted by the Company to micro-, small- and medium-sized enterprises pursuant to the requirements of the relevant policies issued in the first half of 2022, such as the Several Policies on Promoting the Recovery and Development of Difficult Industries in the Service Sector (Fa Gai Cai Jin [2022] No. 271) (《關於促進服務業領域困難行業恢復發展的若干政策》(發改財金[2022] 271號)) jointly issued by 14 ministries and commissions including the National Development and Reform Commission, and the Several Measures on Providing Further Support to Micro-, Small- and Medium-sized Enterprises to Accelerate the Recovery and Development of the Difficult Enterprises (Jing Zheng Ban Fa [2022] No.14) (《關於繼續加大中小微企業幫扶力度加快困難企業恢復發展的若干措施》(京政辦發[2022] 14號)) issued by the Beijing Municipal People's Government. The revenues from car parking services were RMB22,141,000, representing a decrease of approximately 45.6% as compared with the previous year, which was mainly due to the significant decline in traffic volume as a result of the decrease in frequency of travelling under the impact of the external environment, hence leading to a corresponding decrease in revenues from car parking services. The revenues from VIP services amounted to RMB18,322,000, representing an increase of 100.0% as compared with the previous year. This was largely attributable to the revenues from the newly added frequent traveller's paid membership business of the Company. The revenues from other concessions were RMB30,573,000, representing a decrease of approximately 17.7% as compared with the previous year, which was mainly due to the decrease in business volume of other concessions that are linked to the passenger throughput.

In 2022, the rental revenues of the Company were RMB741,233,000, representing a decrease of approximately 13.9% as compared with the previous year, which was mainly due to the recognition of related revenues for the previous years in respect of rentals of terminals and departure system services that were agreed between the Company and certain customers last year. As a result, the larger base figure for the previous year resulted in a decrease in rental revenues for the current year.

In 2022, the revenues from resources usage income of the Company were RMB85,010,000, representing a decrease of approximately 48.7% as compared with the previous year, which was mainly caused by the decrease in passenger throughput, as the calculation of the revenues from resources usage income is linked to the passenger throughput.

In 2022, other revenues of the Company were RMB18,426,000, representing a decrease of approximately 21.9% as compared with the previous year, which was also mainly affected by the decrease in other revenues related to the application for certificates.

Operating Expenses

	2022 RMB'000	2021 RMB'000	Change
Depreciation and amortisation	1,553,463	1,572,645	-1.2%
Aviation safety and security guard costs	919,371	920,343	-0.1%
Repair and maintenance	894,261	1,009,467	-11.4%
Staff costs	530,520	550,101	-3.6%
Utilities and power	506,526	546,704	-7.3%
Operating contracted services costs	426,778	444,930	-4.1%
Greening and environmental maintenance costs	284,981	295,319	-3.5%
Real estate tax and other taxes	236,435	235,205	0.5%
Concession management fees	133,743	221,231	-39.5%
General, administrative and other costs	302,666	250,644 (note 2)	20.8%
Operating expenses	<u>5,788,744</u>	<u>6,046,589</u>	<u>-4.3%</u>

Note 2: The figure of general, administrative and other costs was different from those set out in the 2021 annual report as rental expenses were consolidated into general, administrative and other costs.

In 2022, the operating expenses of the Company were RMB5,788,744,000, representing a decrease of approximately 4.3% as compared with the previous year.

In 2022, the depreciation and amortisation expenses of the Company were RMB1,553,463,000, representing a decrease of approximately 1.2% as compared with the previous year, which was mainly due to the reason that certain long-term assets have been fully depreciated.

In 2022, the aviation safety and security guard costs of the Company were RMB919,371,000, representing a decrease of approximately 0.1% as compared with the previous year.

In 2022, the repair and maintenance expenses of the Company were RMB894,261,000, representing a decrease of approximately 11.4% as compared with the previous year, which was mainly due to the completion of the majority of building repair projects in the previous year which led to a decrease in the related expenses during the year, and the Company's strengthened cost control which led to a decrease in maintenance costs for equipment and system.

In 2022, the staff costs of the Company were RMB530,520,000, representing a decrease of approximately 3.6% as compared with the previous year, which was mainly attributable to the decline in the results of the Company as affected by the external environment and the industry landscape, contributing to a corresponding decrease in the bonus provided with reference to the operating results.

In 2022, the utilities and power expenses of the Company were RMB506,526,000, representing a decrease of approximately 7.3% as compared with the previous year, which was mainly due to the energy conservation and consumption reduction measures adopted by the Company and the appropriate adjustments to the duration and area for the provision of cooling services based on the passenger throughput and operating area, which resulted in the corresponding decrease in energy expenses.

In 2022, the operating contracted services costs of the Company were RMB426,778,000, representing a decrease of approximately 4.1% as compared with the previous year, which was mainly due to the decrease in passenger throughput, resulting in the decrease in demand for related operating services in the terminals of Beijing Capital Airport, and hence the operating contracted services costs decreased.

In 2022, the greening and environmental maintenance costs of the Company were RMB284,981,000, representing a decrease of approximately 3.5% as compared with the previous year, mainly because the Company has adopted a series of cost control measures based on the actual demands while ensuring the operation and service quality, leading to the corresponding decrease in the greening and environmental maintenance costs.

In 2022, the real estate tax and other taxes of the Company were RMB236,435,000, representing an increase of approximately 0.5% as compared with the previous year.

In 2022, the concession management fees of the Company were RMB133,743,000, representing a decrease of approximately 39.5% as compared with the previous year, which was mainly due to the substantial decline in passenger throughput as affected by the external environment and the industry landscape, which led to a significant decrease in concession revenues from advertising, restaurants and food shops, and resulted in the corresponding decrease in the concession management fees that were charged in proportion to the concession revenues.

In 2022, the general, administrative and other costs of the Company were RMB302,666,000, representing an increase of approximately 20.8% as compared with the previous year, which was mainly due to the increase in costs related to the support for the Beijing 2022 Winter Olympic Games and Winter Paralympic Games.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

In 2022, the other income of the Company was RMB5,688,000, representing a decrease of approximately 60.6% as compared with the previous year, which was mainly due to the larger base figure for the previous year as a result of the receipt of subsidies from the Beijing Organizing Committee for the Winter Olympic Games for the use of premises at Beijing Capital Airport.

In 2022, the net finance costs of the Company after netting off the finance income were RMB344,559,000 as compared with the net finance costs of RMB140,192,000 in 2021. It was mainly due to the fact that the exchange rate of US dollar against RMB continued to increase in 2022, while the exchange rate of US dollar against RMB decreased in 2021, which resulted in an exchange loss from the liabilities denominated in US dollar in 2022.

In 2022, the income tax credit of the Company was RMB475,500,000, representing a decrease of approximately 32.4% as compared with the previous year.

LOSS FOR THE YEAR

For the financial year ended 31 December 2022, the net loss after tax for the year of the Company amounted to RMB3,526,635,000, representing an increase of approximately 66.6% as compared with the net loss after tax for the previous year of the Company.

DIVIDEND

In 2022, the Company continue to record a loss from operations as affected by the external environment and industry landscape. The Board did not propose to distribute any final dividend for the year ended 31 December 2022.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

According to the overall plan of the acquisition of the Phase III Assets, the Company assumed the US dollar denominated loans from the European Investment Bank in respect of the Phase III Assets and the interest thereof as at 31 December 2022. Therefore, the fluctuations in exchange rate of RMB against the US dollar will affect the financial results of the Company.

As at 31 December 2022, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents of approximately RMB20,449,000 (2021: RMB21,361,000), trade and other payables of approximately RMB8,944,000 (2021: RMB8,188,000), and loans from the Parent Company of approximately RMB1,277,863,000 (2021: RMB1,322,862,000). During 2022, the Company recorded a net exchange loss of RMB120,906,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

As at 31 December 2022, total principal amount of the Company's loans from the Parent Company was RMB1,274,681,000, which was the borrowings from the European Investment Bank assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4%. In respect of the Company's short-term and long-term borrowings which were determined with reference to the benchmark interest rates announced by the People's Bank of China, the total principal amounts were RMB1,698,841,000. As such, any change in LIBOR and adjustments to the interest rates of the People's Bank of China would affect the interest expenses and results of the Company.

CONTINGENT LIABILITIES

As at 31 December 2022, the Company had no significant contingent liabilities.

LIQUIDITY AND FINANCIAL RESOURCES

In 2022, the Company's net cash used in operating activities amounted to RMB1,501,321,000, representing an increase of RMB879,836,000 as compared with RMB621,485,000 for the year of 2021. In 2022, the Company's net cash outflow from investing activities amounted to RMB479,175,000. In 2022, the Company's net cash generated from financing activities amounted to RMB1,344,603,000.

As at 31 December 2022, the Company had cash and cash equivalents amounting to the total sum of RMB1,590,413,000, while the cash and cash equivalents of the Company amounted to RMB2,224,473,000 as at 31 December 2021.

As at 31 December 2022, the principal amount of the Company's short-term and long-term borrowings were RMB6,398,841,000, the principal amount of the loans from the Parent Company were RMB1,274,681,000 and the principal amount of the bonds payable was RMB1,299,304,000.

As at 31 December 2022, the current ratio of the Company was 0.19, while the current ratio of the Company was 0.41 as at 31 December 2021. Such ratios were computed by dividing the amount of the total current assets by the amount of the total current liabilities as at those respective dates.

As at 31 December 2022, the gearing ratio of the Company was 50.40%, while the gearing ratio of the Company was 42.60% as at 31 December 2021. Such ratios were computed by dividing the total amount of liabilities by the amount of total assets as at those respective dates.

As at 31 December 2022, the capital and reserves of the Company were RMB16,604,920,000, while the capital and reserves of the Company were RMB20,174,808,000 as at 31 December 2021.

EMPLOYEES AND EMPLOYEE WELFARE

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

	2022	2021
Total number of employees	<u>1,542</u>	<u>1,567</u>

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

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

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

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

3. **Staff retirement scheme**

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

CHARGE ON ASSETS

During the year ended 31 December 2022, there was no charge or pledge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the year ended 31 December 2022, the Company did not conduct any material merger, acquisition or disposal.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

From 1 January 2023 to the date of this announcement, save as disclosed in the profit warning announcement of the Company dated 27 February 2023 and the inside information announcement of the Company dated 30 March 2023 in relation to the adjustment proposal of profit distribution, there was no material event or transaction affecting the Company and which is required to be disclosed by the Company to its shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2022, the Company did not purchase, sell or redeem any of its listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board confirms that the Company has complied with all the code provisions of the Corporate Governance Code (the “**Code**”) under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), save for the deviation from code provision C.1.6 of the Code due to reasonable grounds (as explained below), during the period from 1 January 2022 to 31 December 2022.

In respect of code provision C.1.6 of the Code, the Company held its 2021 annual general meeting on 23 June 2022. Save for Mr. Gao Shiqing, a non-executive director who was absent from the annual general meeting due to work commitments, all other members of the Board attended the annual general meeting. Five ordinary resolutions were considered at the annual general meeting, all of which were successfully passed. After the annual general meeting, the Company dispatched the relevant meeting minutes to all members of the Board to keep the absent director(s) informed of the proposals resolved during the annual general meeting.

PROSPECTS FOR 2023

2023 is the opening year for the comprehensive implementation of the spirit of the 20th National Congress of the Party, the bridging year for the continuation of the “14th Five-Year Plan”, and a crucial year for the high-quality development of civil aviation. Recently, the civil aviation industry is embracing a remarkable recovery with overall positive outlook, in light of the stronger travel demand and renewed market confidence. The industry is presented with ample development opportunities. Nonetheless, at the same time, we are also profoundly aware that the risk of the external environment still exists, which may disrupt the operation and development of the industry. While the industry is rapidly recovering, it will take time for it to fully recover as there is increased pressure on the coordination of safety and development. Therefore, we may be faced with ups and downs and challenges in terms of the increase in business volume and the enhancement of operational performance of Beijing Capital Airport.

In 2023, given the new circumstances in terms of changes in external environment and policies, Beijing Capital Airport will enter a new starting point and face a new phase, new task and new mission. In view of the foregoing, we will take a proactive role, insist on safety first and focus on increasing the quality and efficiency during this critical recovery period of the industry. Furthermore, by pushing forward key tasks such as the ongoing enhancement of safe operation capabilities, the building of consensus to promote aviation hub development, the development of a benchmark service standard of China, and the innovation of business operation to boost corporate effectiveness, we will strive to open a new chapter of the high-quality development of Beijing Capital Airport.

As shown by preliminary statistics, for the first two months of 2023, Beijing Capital Airport’s aircraft movements have increased by approximately 31.1% as compared with the corresponding period of the previous year, of which domestic routes (including Hong Kong, Macau and Taiwan) have grown by approximately 41.8% as compared with the corresponding period of the previous year. In terms of international routes, aircraft movements have decreased by approximately 51.8% as compared with the corresponding period of the previous year, which was attributable to the larger base figure of international cargo flights during the corresponding period of the previous year. Passenger throughput increased by approximately 88.9% as compared with the corresponding period of the previous year, of which domestic routes (including Hong Kong, Macau and Taiwan) increased by approximately 86.3% as compared with the corresponding period of the previous year. Regarding international routes, international passenger throughput increased by approximately 274.1% as compared with the corresponding period of the previous year by virtue of the continuous relaxation of travel restrictions and the increasing international mobility.

In 2023, the Company will continue to enhance the safe operation capabilities and facilitate the recovery and development of the industry in an orderly manner. It will firmly establish the concept of safe development, reinforce the responsibility of safety management, continue to improve potential risk management and put in all efforts to carry out safety protection during the period of business recovery. At the same time, it will proactively conduct compatibility study on flight route network structure, airspace capacity and ground operation resources to continuously enhance operating capability and quality.

In 2023, the Company will focus on enhancing hub quality and promoting development of the aviation hub with concerted efforts. It will actively promote the key projects of hub construction and continuously improve the functions of the hub. The Company will gradually strengthen the aviation product system by continuing to build the “Capital Express” brand and enhancing its brand competitiveness. To fully seize the opportunities arising from market recovery, the Company will conduct a series of marketing activities under the name of “aviation +” and strengthen the influence of transit products under the name of “via the Capital”. Focusing on the base carriers’ needs of the aviation hub development, it will build consensus for the mutual development of a world-class aviation hub.

In 2023, the Company will strive to develop a benchmark service standard of China, with a view to continuously enhancing its market competitiveness and appeal to passengers. The Company will continue to refine the “No.1 Gateway” service standard system. Through carrying out actions to enhance specific services, fostering a service culture and expanding service training, the Company will converge its services towards the core concept so as to solve the pain points of passengers’ travel, effectively enhance their travel experience, and create and stimulate effective demand with its supplies and services of higher quality.

In 2023, the Company will tap its management potential to promote the opening of a new chapter of innovative business operation. Being market-oriented, it will carry out active marketing and integrated marketing. Leveraging the development of its principal aeronautical business, it will strive to drive the integration and upgrade of non-aeronautical goods, services and products in an effort to achieve commercial revenue growth. The Company will upgrade and improve the commercial business environment to maximize the value of resources, as well as innovate the commercial business model of the airport to stimulate the momentum of operations. The Company will enhance its comprehensive budget management and upgrade the level of integration of business and finance. The Company will further explore the potential of cost reduction, improve its lean management and address market demand and changes to step up the generation of revenue and benefits in its endeavour to improve its profitability.

In 2023, the Company will continue to fully implement its new development concept through comprehensive planning, good governance and sound coordination, and insist on deepening reform and innovation. In order to fulfil its responsibility as the national gateway, the Company will pay attention to the important issues of sustainability, safeguard its long-term value by continuing to improve governance capabilities and standards, and promote its high-quality and sustainable development.

AUDITORS

PricewaterhouseCoopers (“PwC”) was appointed as the auditor of the Company for the year ended 31 December 2022. The figures in respect of this results announcement of the Company for the year ended 31 December 2022 have been agreed by PwC, to the amounts set out in the Company’s draft financial statements for the year ended 31 December 2022. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC on this preliminary results announcement.

THE ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND ANNUAL GENERAL MEETING

The annual results of the Company for the year ended 31 December 2022 have been reviewed by the audit and risk management committee of the Company. This annual results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.bcia.com.cn>).

The annual report for the year ended 31 December 2022 containing the relevant information required by the Listing Rules and the notice of the 2022 annual general meeting of the Company will be despatched to shareholders and will be available on the above-mentioned websites in due course.

By order of the Board
Wang Changyi
Chairman

Beijing, the PRC
30 March 2023

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

<i>Executive directors:</i>	<i>Mr. Wang Changyi, Mr. Han Zhiliang and Mr. Zhang Guoliang</i>
<i>Non-executive directors:</i>	<i>Mr. Gao Shiqing, Mr. Jia Jianqing and Mr. Song Kun</i>
<i>Independent non-executive directors:</i>	<i>Mr. Jiang Ruiming, Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung and Mr. Wang Huacheng</i>