

For Information

**Legislative Council Subcommittee
to Follow Up Issues Relating to the
Three-Runway System at the Hong Kong International Airport**

Follow-Up to Meeting on 5 December 2016

Background

At the meeting on 5 December 2016, Members asked for information on the ratios of dividends paid by the Airport Authority Hong Kong (“AAHK”) in recent years to its profits after tax for the year concerned. This paper sets out AAHK’s response.

Ratios of Dividends Paid by AAHK in Recent Years to its Profits after Tax for the Year Concerned

2. The AAHK Board determines the dividend payout ratio on an annual basis, as in the cases of most commercial entities, after considering a number of factors including, but not limited to AAHK’s financial result, capital expenditure requirements, liquidity position, financing needs, future business growth and profitability, investment opportunities, optimal capital structure, etc.. With due consideration, the Board approved AAHK’s retention of distributable profits for the past two financial years (FY2014/15 and FY2015/16) for funding the Three-Runway System project. The historical dividends declared for the preceding three financial years, i.e. FY2011/12, FY2012/13 and FY2013/14, were HK\$3.9 billion, HK\$4.4 billion and HK\$5.3 billion respectively, representing payout ratios between 80% and 82%.

**Airport Authority Hong Kong
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