



BCIA

Beijing Capital International Airport Company Limited

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

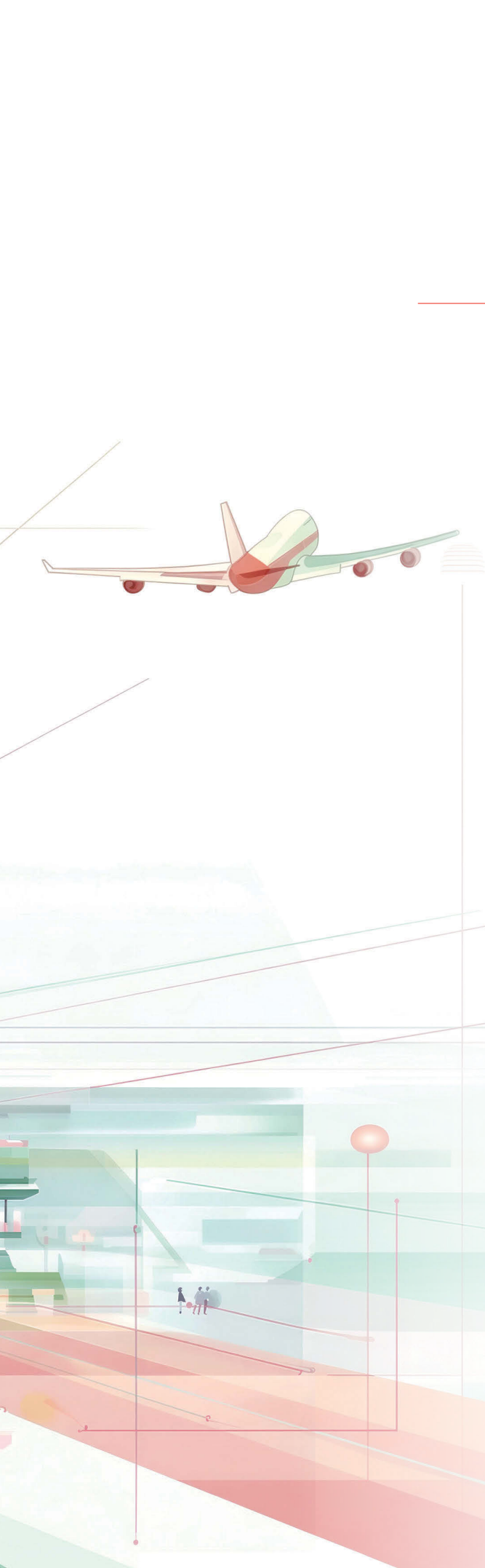
Stock Code: 00694

2025

Annual Report







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FINANCIAL SUMMARY



FINANCIAL SUMMARY (CONTINUED)

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

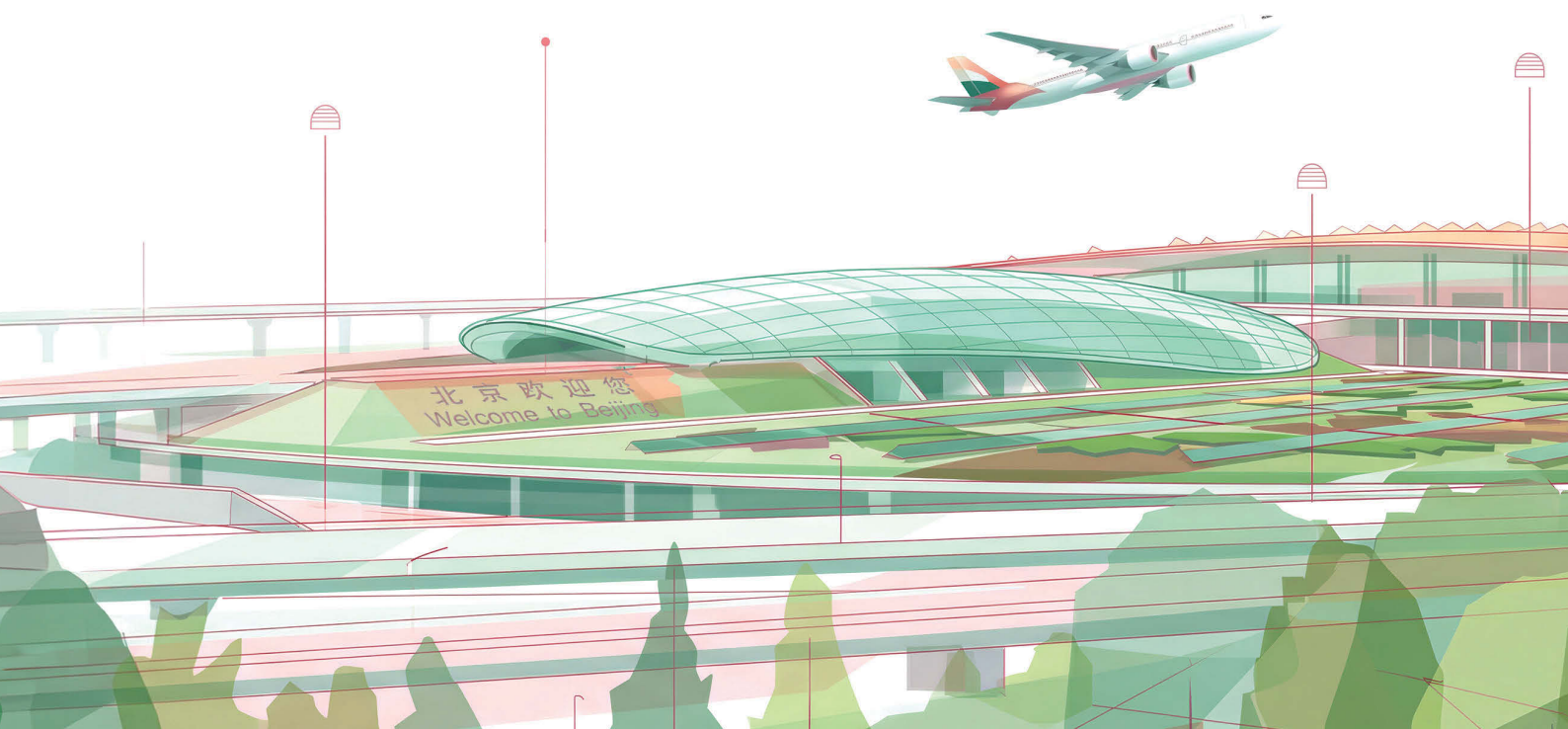
	2025	2024	2023	2022	2021
Operating Results					
Revenue	5,631,751	5,492,205	4,558,524	2,230,948	3,344,709
EBITDA/(LBITDA)	1,323,623	1,174,537	135,845	(2,203,223)	(1,027,944)
Loss before tax	(509,099)	(629,375)	(1,718,685)	(4,002,135)	(2,820,414)
Tax	(120,938)	(760,370)	21,897	475,500	703,877
Loss after tax	(630,037)	(1,389,745)	(1,696,788)	(3,526,635)	(2,116,537)
Attributable to:					
Equity holders of the Company	(630,037)	(1,389,745)	(1,696,788)	(3,526,635)	(2,116,537)
Loss per share					
– basic and diluted (RMB)	(0.14)	(0.30)	(0.37)	(0.77)	(0.46)
Return on Equity	-4.90%	-10.33%	-11.40%	-21.24%	-10.49%
Financial Position					
Assets					
Non-current assets	26,642,538	27,745,945	29,573,683	30,715,998	31,527,881
Current assets	3,370,757	2,929,413	3,015,656	2,767,402	3,619,455
Total	30,013,295	30,675,358	32,589,339	33,483,400	35,147,336
Equity and liabilities					
Shareholders' equity	12,858,193	13,455,878	14,887,803	16,604,920	20,174,808
Non-current liabilities	1,901,016	4,211,009	4,206,084	2,088,940	6,065,881
Current liabilities	15,254,086	13,008,471	13,495,452	14,789,540	8,906,647
Total	30,013,295	30,675,358	32,589,339	33,483,400	35,147,336

COMPANY PROFILE

Beijing Capital International Airport Company Limited (the “Company”) was incorporated as a joint stock company with limited liability in Beijing, the People’s Republic of China (the “PRC”) on 15 October 1999 to own and manage the aeronautical operations and certain ancillary commercial businesses at the capital international airport in Beijing, the PRC (the “Beijing Capital Airport”). The Company’s 1,346,150,000 H shares with a nominal value of RMB1.00 each were issued to the public at HK\$1.87 per share on 27 January 2000 and such shares were listed and traded on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 1 February 2000. Upon completion of 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 Holdings Co., Ltd. (formerly known as Capital Airports Holding Company) (the “Parent Company”) held 2,500,000,000 domestic shares, representing 65% of the total share capital; the public investors held 1,346,150,000 H shares, representing approximately 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 completed the placing of H shares to institutional or professional investors in Hong Kong market on 4 October 2006 and 10 June 2008, respectively. Upon completion of the above two placements of H shares, the total share capital of the Company increased to 4,330,890,000 shares, among which, the Parent Company held 2,451,526,000 domestic shares, representing approximately 56.61% of the total share capital; the public investors held 1,879,364,000 H shares, representing approximately 43.39% of the total share capital.

On 7 November 2019, the Company completed the non-public issuance by way of capitalisation of capital reserve (exclusively State-owned), details of which were disclosed in the circular of the Company dated 20 June 2019 and the announcement of the Company dated 7 November 2019. Upon completion, the number of ordinary shares of the Company increased from 4,330,890,000 prior to such issuance to 4,579,178,977. The number of domestic shares held by the Parent Company increased from 2,451,526,000 (representing approximately 56.61% of the total issued share capital of the Company) to 2,699,814,977 (representing approximately 58.96% of the total issued share capital of the Company following such issuance).



COMPANY PROFILE (CONTINUED)

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

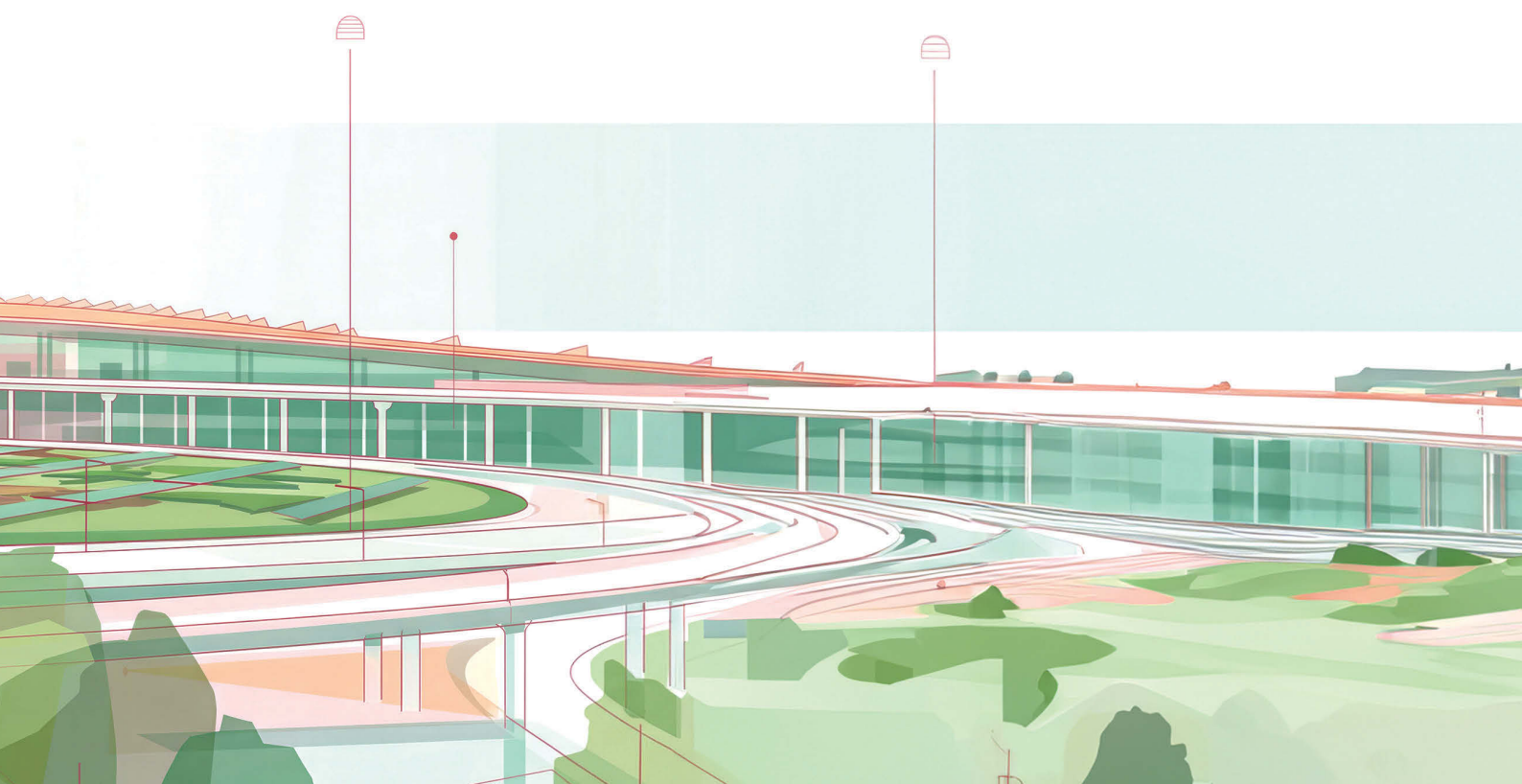
The Company's aeronautical business includes provision of aircraft landings and take-offs and passenger service facilities, ground support services and firefighting services for domestic and foreign air transportation enterprises.

As at the end of 2025, there were 54 airlines operating fixed commercial flights at Beijing Capital Airport, including 22 domestic airlines (including Hong Kong, Macau and Taiwan) and 32 airlines from foreign countries.

As at the end of 2025, there were 226 destinations from 58 countries and regions linking with Beijing Capital Airport, including 134 domestic destinations (including Hong Kong, Macau and Taiwan) and 92 international destinations.

The Company's non-aeronautical business mainly includes licensing other parties for concession-based operations of: (1) ground handling agent services supplied for domestic and foreign airlines; (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) VIP services inside and outside the terminals; and (6) leasing of advertising spaces inside and outside the terminals and other businesses at Beijing Capital Airport.

The Company's non-aeronautical business also includes licensing other parties to conduct the following operations at Beijing Capital Airport by way of resource usage or lease: (1) leasing of properties in the terminals; (2) provision of car parking services; (3) the provision of ground handling facilities for ground handling agent companies; and (4) income from the use of terminal-related resources.



CHAIRMAN'S STATEMENT



Having come across splendor or setbacks, peaks or troughs, we, as the “No. 1 Gateway of China” today, only have to proactively recognize, adapt to, and seek changes in order to break through all challenges and sustain development amid reforms. With steadfast confidence, the Company will brace itself to confront challenging headwinds, and take proactive measures to strike a fine balance between development and security. Additionally, it will continue to raise the operational service standards, strengthen hub development, while deepening the reforms and innovations. Motivating all employees to pursue excellence and enhance efficiency, the Company will spare no effort to achieve new breakthroughs in the pursuit of high-quality development, living up to the title of “Gateway of China”, thereby opening a new chapter for Beijing Capital Airport.

Mr. Song Kun
Chairman

Dear Shareholders,

In 2025, China’s civil aviation industry responded effectively to external shocks and challenges and maintained steady progress overall. The high-quality development of civil aviation reached a new height, with the successful conclusion of the “14th Five-Year Plan”.

For Beijing Capital Airport, this year was also a year of forging ahead against headwinds and taking proactive actions. We calmly addressed multiple pressures, risks and challenges, spared no effort to maintain safety and stability, and took multiple measures to improve the operating performance. We have made steady progress in all tasks and now continue to develop in an upward trajectory. I hereby report to all shareholders on the Company’s operations and financial status for 2025, as well as its outlook for 2026.

CHAIRMAN'S STATEMENT (CONTINUED)



CONTINUOUSLY CONSOLIDATING SAFETY FOUNDATION AND ENHANCING OPERATIONAL SERVICE QUALITY

In 2025, the Company continuously improved its safety system, carried out robust risk and potential hazard management, and comprehensively identified and controlled safety risks. By carrying out special rectification actions such as foreign object control, bird strike prevention, aircraft collision proof, and cable and wire management, the foundation for the safe operation of Beijing Capital Airport was further consolidated, providing passengers with more reliable and reassuring travel protection.

In terms of operational efficiency, Beijing Capital Airport comprehensively implemented a coordinated support mechanism for rapid flight turnarounds, effectively improving the flight take-off punctuality rate. Through the synergistic efforts of air-ground coordination, the timing and efficiency of inbound and

outbound taxiing reached their historical best. Through the precise allocation of optimal resources, we have significantly enhanced the on-time departure rate and frontal bay rate of express-route flights. Meanwhile, leveraging data integration technology, we have achieved coordination between airfield allocation and aircraft towing information, improving the efficiency of flight connection. These measures have effectively reduced waiting time of passengers and enhanced overall travel efficiency.

In terms of service quality, Beijing Capital Airport continuously improved its service mechanisms, made dedicated efforts to address service inadequacies, focused on improving baggage collection efficiency, launched special actions to improve the passenger service quality of international flights, promoted the enhancement of transit efficiency, and innovatively launched a “one-stop” baggage service to elevate the passenger travel experience and enhance the attractiveness of Beijing Capital Airport to passengers.

CHAIRMAN'S STATEMENT (CONTINUED)

SEEKING FURTHER GROWTH OF AVIATION BUSINESS AND FOCUSING EFFORTS ON HUB DEVELOPMENT AND UPGRADE

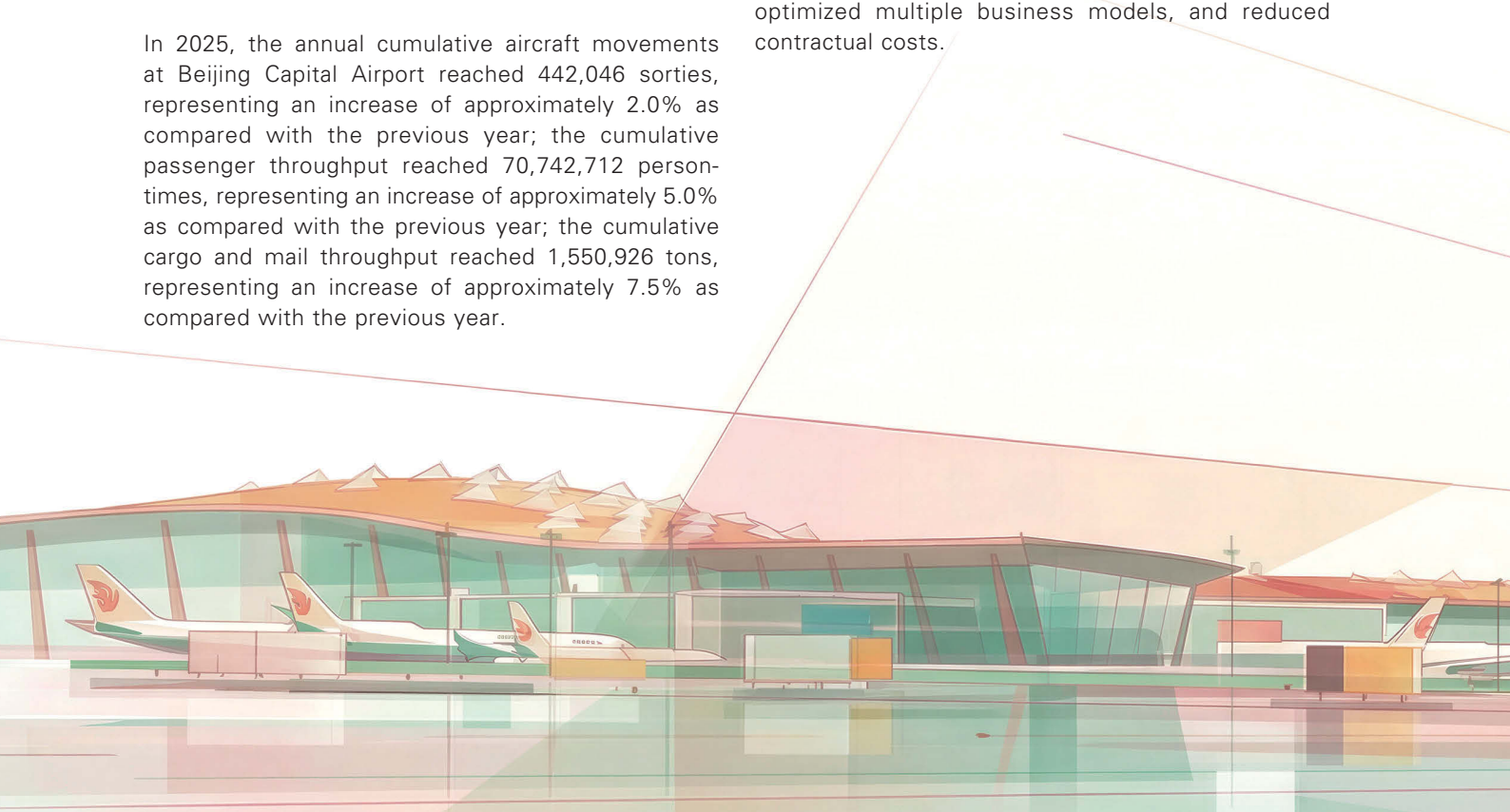
Beijing Capital Airport implemented multiple measures to promote the steady growth of the aviation business. We actively promoted the entry and flight resumption of international airlines, vigorously expanded international routes, increased the flight frequency of domestic and international flights, and continuously optimized the route network layout. We prompted airlines to launch two new domestic express routes to Urumqi and Wuhan, and jointly launched cross-airline voluntary endorsement rights for the Beijing-Shanghai express route, further enhancing passenger convenience in travel. With accelerated upgrades in transit capacity, the proportion of transit passengers rose steadily, unleashing the hub value. At the same time, we continuously strengthened the brand promotion of "Summer Vacation Carnival" and "Aviation and Tourism Carnival," innovated aviation and tourism products, and carried out precision marketing measures targeting families with children, students, and business travelers. As such, aviation transportation maintained a steady growth momentum.

In 2025, the annual cumulative aircraft movements at Beijing Capital Airport reached 442,046 sorties, representing an increase of approximately 2.0% as compared with the previous year; the cumulative passenger throughput reached 70,742,712 person-times, representing an increase of approximately 5.0% as compared with the previous year; the cumulative cargo and mail throughput reached 1,550,926 tons, representing an increase of approximately 7.5% as compared with the previous year.

In terms of infrastructure construction, we orderly implemented quality improvement and efficiency enhancement projects at Terminal 3 of Beijing Capital Airport, improved infrastructure functions, and optimized operational support processes. By promoting smart empowerment, we enhanced the application of new technologies, and continued to roll out smart initiatives including intelligent security screening channels, single-ID passenger clearance across the airport, and electronic boarding passes, delivering a more convenient and efficient travel experience for passengers in an effort to enhance the market competitiveness of Beijing Capital Airport.

STRIVING TO DEEPEN BUSINESS MANAGEMENT, DUAL APPROACH OF COST REDUCTION AND REVENUE GROWTH

The Company focused on the effectiveness of business management and adhered to a dual approach for increasing revenue and curbing cost. We strengthened financing management and reduced the interest rates of loan contracts. In addition, we advocated "opening the box of costs" and implemented the integration of similar contracts and market-oriented benchmarking, optimized multiple business models, and reduced contractual costs.



CHAIRMAN'S STATEMENT (CONTINUED)

We thoroughly explored the value of commercial resources, completed a new round of duty-free tendering, and adopted the dual-driven growth model of “minimum guarantee + commission” to achieve improvements in both the revenue threshold and growth potential, thereby maximizing commercial value by way of systemic innovation. We increased multi-channel joint marketing, strengthened the internal and external synergy of commercial resources, and comprehensively promoted the increase in resource utilization efficiency. By continuously optimizing the business format and brand matrix, we promoted the iterative upgrade of commercial quality and constantly cultivated and expanded new revenue growth points.

In 2025, the Company achieved revenues of RMB5,631,751,000, representing an increase of approximately 2.5% as compared with the previous year. In particular, the aeronautical revenues amounted to RMB2,770,358,000, representing an increase of approximately 3.8% as compared with the previous year. The non-aeronautical revenues amounted to RMB2,861,393,000, representing an increase of approximately 1.3% as compared with the previous

year. The operating expenses of the Company were RMB5,784,482,000, representing a decrease of approximately 1.2% as compared with the previous year.

FUTURE OUTLOOK

“Gazing at the sturdy pine in the dusky twilight, one remains calm despite the flying turbulent clouds.” Amidst the accelerated evolution of the world with changes unseen in a century and complex and severe geopolitical landscapes, various uncertainties have shrouded the global trade and economic development, directly impacting the general and balanced recovery of the international aviation market. Nonetheless, we should recognize the positive aspects of the macroeconomic conditions. China's economy advances toward higher-quality development and a new horizon, fostering strong advantages with its mega market. As policy benefits continue to unfold from expanding domestic demand and boosting consumption, the civil aviation industry will usher in stronger momentum for development.



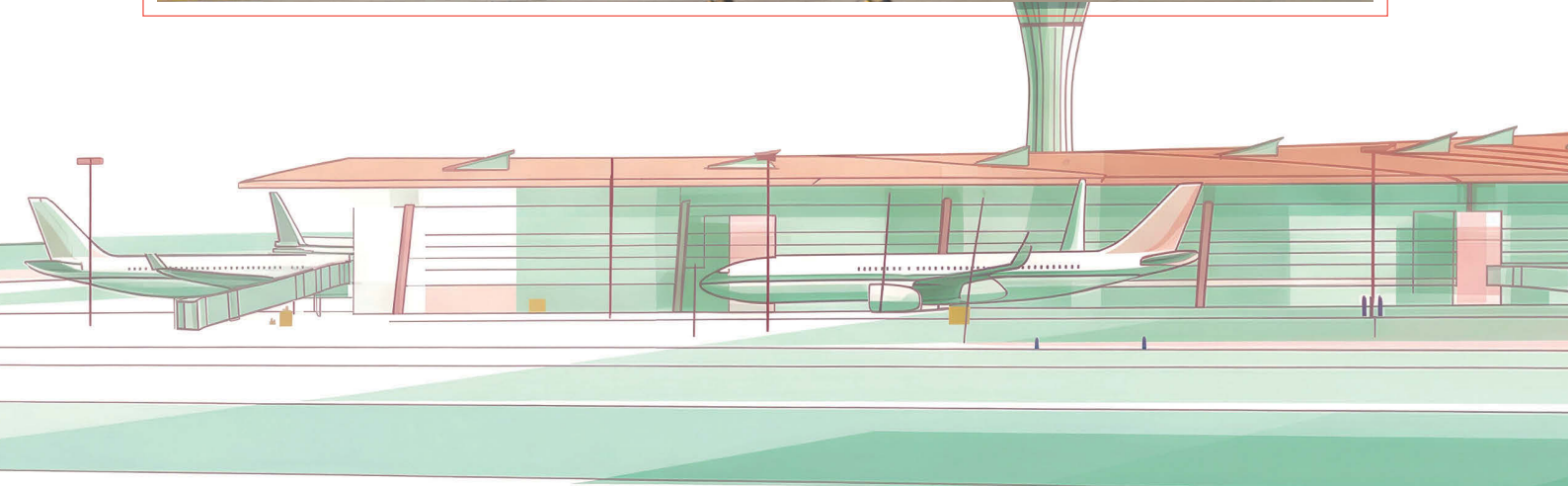
CHAIRMAN'S STATEMENT (CONTINUED)

Focusing on Beijing Capital Airport itself, it is clearly acknowledged that there remains a certain gap with other major Asian hubs in terms of overall capacity, number of international destinations, and flight frequency. Besides, issues such as ageing facilities and equipment, and inadequate integrated transport connectivity urgently need to be addressed.

However, significant opportunities are worth our attention. As the new standards for the slot capacity of Beijing Capital Airport have been approved, we expect to see a valuable increase in slot resources in 2026, providing key resources and crucial support for increasing flight frequencies, opening new strategic routes, and optimizing network structures. Key construction projects such as terminal quality and efficiency enhancement and baggage system upgrades will also be actively pursued based on actual conditions. These initiatives are expected to

systematically enhance the core competitiveness of Beijing Capital Airport in areas such as hardware capabilities, operational efficiency, accessibility of transport, and safety assurance.

According to preliminary statistics, for the first two months of 2026, Beijing Capital Airport's aircraft movements have increased by approximately 2.4%, of which domestic routes (including Hong Kong, Macau and Taiwan regions) increased by approximately 2.2%, while international routes increased by approximately 3.4% as compared to the corresponding period of the previous year. Passenger throughput increased by approximately 8.6% as compared to the corresponding period of the previous year, of which domestic routes (including Hong Kong, Macau and Taiwan regions) increased by approximately 8.1%, while international routes increased by approximately 10.4%.



CHAIRMAN'S STATEMENT (CONTINUED)

In this inaugural year of the 15th Five-Year-Plan, the Company will remain steadfast in confidence, brace itself to confront challenging headwinds, and take proactive measures to strike a finer balance between development and security. It will continuously raise the operational service standards and strengthen hub development, while deepening reforms and innovations. Motivating all employees to pursue excellence and efficiency, we are fully committed to achieving highly efficient operations.

Upholding the principle of safety first and to excel in operational service quality. We will resolutely safeguard aviation safety, systematically enhance safety and service support capabilities, ensuring more stable and reliable safety performance, a more cosy and convenient service experience, and increasingly seamless and efficient operational support.

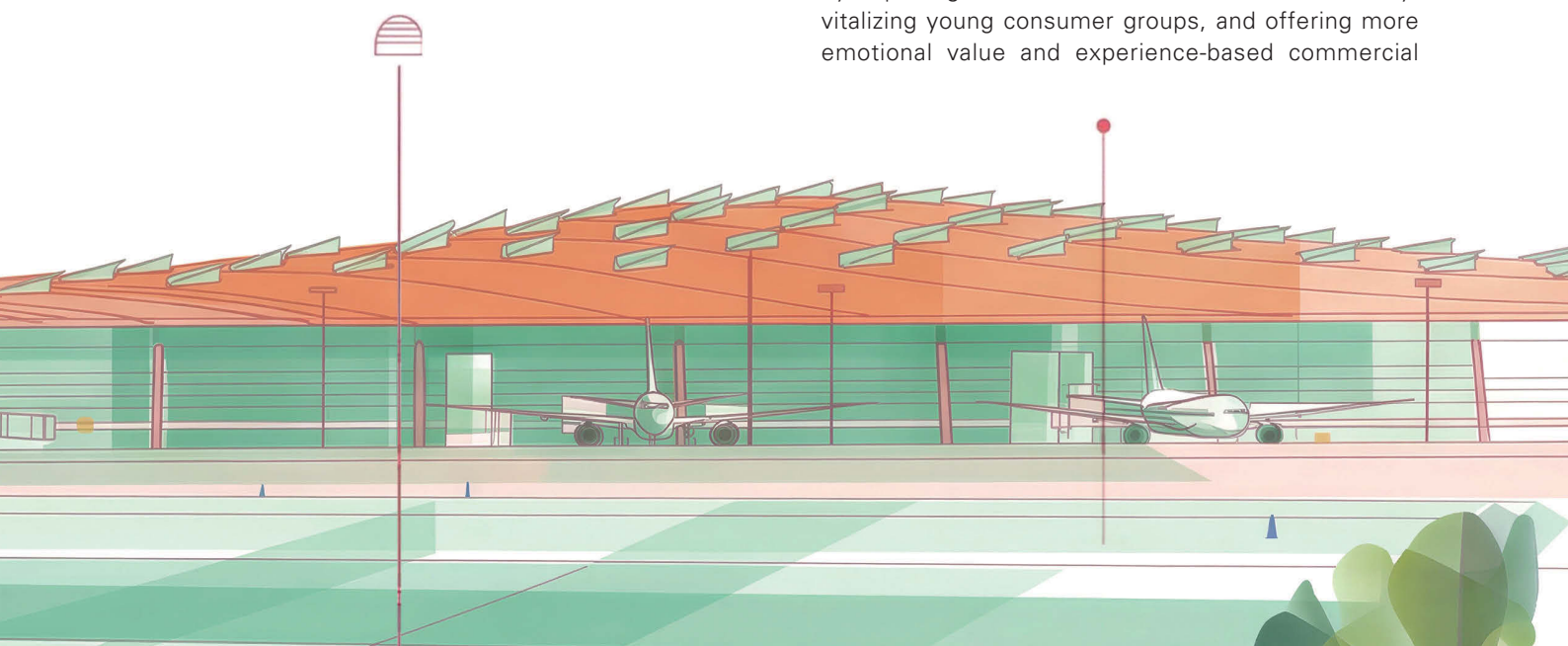
Focusing on tackling challenges in key areas to systematically enhance hub capabilities. Aligned with the objective of hub development, we will closely address the operational demands of airlines and travel experiences of passengers. Focusing on key areas such as improving operational efficiency of aircraft, optimizing runway and taxiway utilization, increasing the frontal bay rates, enhancing commercial quality, and upgrading transit quality and capacity, we will coordinate and advance the construction efforts, accelerate implementation, and systematically strengthen the hub's core competitiveness.

Deeply tapping into the slot-resource potential, expanding routes to consolidate our advantages.

We will put all-out efforts to advance the implementation of newly added flight slots, provide guidance for airlines to enhance efficiency of slot utilization, and promote the return and redeployment of idle slots to maximize resource potential. Concurrently, we will further optimize incentive measures for international and regional routes, actively seek policy support from local governments, and continuously expand the route network and increase its flight frequency so as to consolidate and elevate the position of Beijing Capital Airport as an international hub.

Focusing on customer needs to enhance quality, empowering the development through innovative business models.

We will persistently review airport service products from the dual perspectives of airlines and passengers, being two of our most important customer groups, in order to deliver premium solutions to meet genuine customer demands, thereby creating value and generating revenue. First, we will enhance efficiency through business model innovation by piloting simulated operations of the Company, strengthening the business acumen of all employees, precisely identifying pain points, and focusing on targeted breakthroughs and upgrades. Second, we will make focused efforts to tap into commercial value through targeted marketing and expansion of product categories and brands, thereby enhancing the value of airport resources and commercial image. Third, we will stimulate scenario-based consumption by exploring new models of online traffic economy, vitalizing young consumer groups, and offering more emotional value and experience-based commercial



CHAIRMAN'S STATEMENT (CONTINUED)

projects. Through reform and innovation, we will comprehensively upgrade Beijing Capital Airport to pursue higher-quality development.

Turnaround to profits is the imperative responsibility, while sustainable development is the long-term strategy of the Company. In 2026, Beijing Capital Airport will mobilize all employees to overcome challenges and pain points in concerted efforts, striving to achieve robust operating results. To this end, the Company will adopt a dual-pronged approach of "cost reduction" and "revenue enhancement". In terms of cost reduction, we will persistently focus on the structural analysis of all cost items, continuously optimize contract revenue models, and curb operational costs through enhancing centralized procurement, inventory-based procurement, and pursuing maintenance rather than repairs. For revenue growth, we will seek external opportunities and leverage favorable government policies while focusing on the market. By collaborating with all parties to develop robust platforms, we will endeavor to maximize resource value on capturing the expanding market to ensure a sustained, resilient, and sound development.

Looking back, we have engraved the mark of "Beijing Capital Airport" in the history of Asian civil aviation by exceeding 100 million of passenger throughput twice. We demonstrated our responsibility as the Gateway of the Country with a perfect response to support "Dual Olympics". Additionally, we set an industry benchmark as the pioneer to explore "Chinese Service." Currently, amid the severe and complex security conditions, the pressure for development is unprecedented, and the competition among hubs

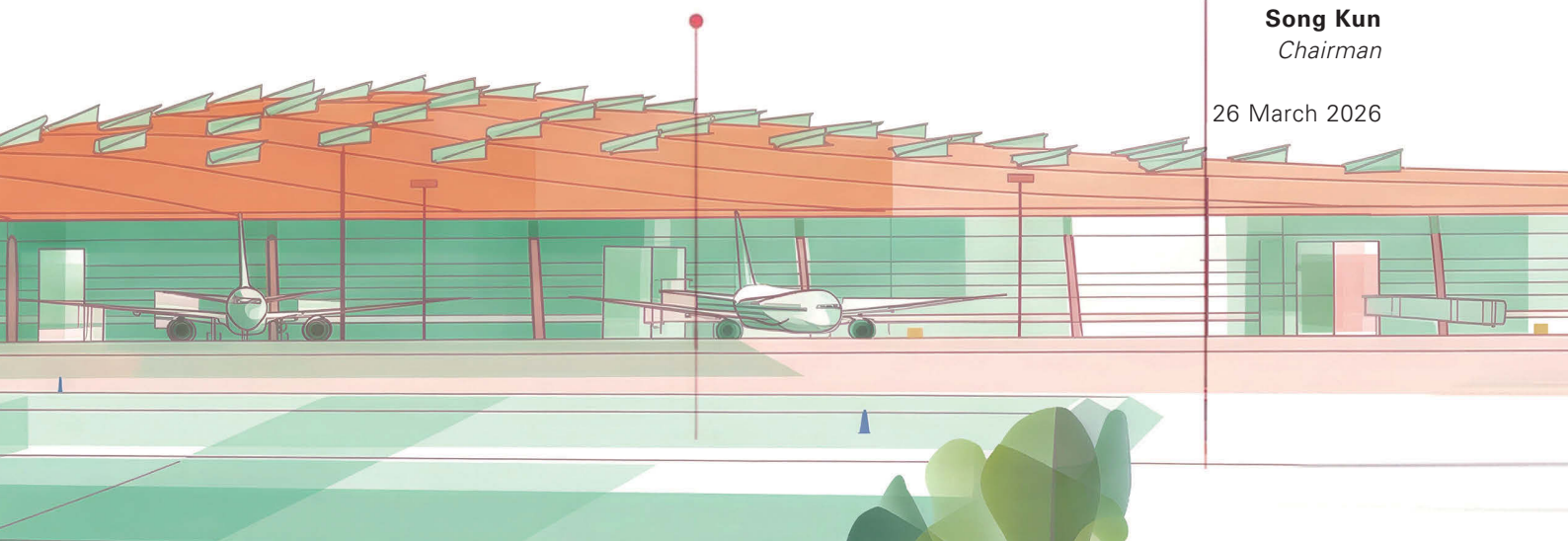
is fierce. We soberly recognize that this is both a period of superimposed challenges and a critical period for reform. Though the path is uphill, we never stop moving forward; though we face obstacles, our resolve only grows stronger. Here, the Company would like to express its heartfelt gratitude to all shareholders for their continued understanding and trust, and extend its sincere appreciation to various governmental departments, airlines, and partners at Beijing Capital Airport for their tremendous support, as well as to all of our employees for their diligent contribution throughout the year.

Having come across splendor and setbacks, peaks or troughs, we, as the "No. 1 Gateway of China" today, shall proactively recognize, adapt to, and seek changes in order to break through all challenges and sustain development amid reforms. "The long and arduous journey ahead is as hard as iron, yet with large strides, we now stride forward to conquer it anew." In the coming year, the Company will be well poised with the positive mindset to navigate through difficulties and pursue innovations. It will strive to make new breakthroughs in the high-quality development of Beijing Capital Airport, and live up to its reputation as the "Gateway of the Country," thereby filling a new chapter of development.



Song Kun
Chairman

26 March 2026



REPORT OF THE BOARD

The board of directors of the Company (the “Board”) present to all shareholders of the Company (the “Shareholders”) the annual report and the audited financial statements of the Company for the financial year ended 31 December 2025 (the “Financial Statements”).

BUSINESS MODEL AND STRATEGIC OBJECTIVES

With the operations 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. The Company will continue to take safe development as a prerequisite, focus on improving development quality and adjusting business structure, and enhance the operational and service quality, to promote the construction of Beijing Capital Airport as a large world-class international hub which is “safe, green, smart and humanistic”.

OPERATING RESULTS AND FINANCIAL POSITION

The Company’s operating results for the year ended 31 December 2025 and its financial position as at 31 December 2025 prepared based on IFRS Accounting Standards (“IFRS”) are set out on pages 86 to 161 of this 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.

BUSINESS REVIEW

A fair review of the business of the Company for the year ended 31 December 2025 is provided in the section headed “Management Discussion and Analysis” on pages 50 to 57 of this annual report.

Description of other principal risks and uncertainties facing the Company can be found in the paragraphs headed “Exposure to Fluctuations in Exchange Rates” and “Exposure to Fluctuations in Interest Rates” on page 55 of this annual report.

The likely future business development of the Company is discussed in the paragraph headed “Future Outlook” on pages 9 to 12 of this annual report.

ENVIRONMENTAL PROTECTION

The Company strictly complies with the relevant national and local laws and regulations on environmental protection, conscientiously fulfils environmental protection obligations, proactively responds to national energy-saving and emission reduction initiatives, and adopts certain measures including prioritising the use of clean energy, improving the energy management system and protecting ecological diversity, so as to effectively manage the carbon quota at Beijing Capital Airport, create a “Green Gateway Airport”, and endeavour to promote the construction of a green airport featured by “energy-saving, environmentally friendly, hi-tech and user-friendly”.

In addition to the above, for other discussions on the Company’s environmental policies and performance, compliance with relevant laws and regulations that have a significant impact on the Company, and the relationships with key stakeholders (including employees, suppliers and customers and others), please refer to the paragraphs headed “Compliance with Laws and Regulations” and “Relationship with Employees, Suppliers and Customers” on page 14 of this Report of the Board and the Environmental, Social and Governance Report (the “ESG Report”) of the Company for the year ended 31 December 2025.

REPORT OF THE BOARD (CONTINUED)

COMPLIANCE WITH LAWS AND REGULATIONS

The Company stringently adheres to relevant national and local laws and regulations which have a significant impact on the Company and establishes sound and stringent systems of risk management and internal control to avoid the occurrence of events which will violate relevant laws and regulations and may materially influence the reputation of the Company.

During the year ended 31 December 2025 and up to the date of this Report of the Board, the Company has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holdings in the shares of the Company.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Company and employees: The Company is resolutely committed to shouldering responsibility as “the Gateway of the Country”. Together with its partners, the Company promotes the Beijing-Tianjin-Hebei coordinated development, strengthens technological innovation, and expands international competitiveness and influence. The Company integrates “Sincere Service” into every detail of the daily work of Beijing Capital Airport, optimises service procedures, adopts advanced facilities and equipment, and continuously improves staff quality. The Company upholds the concept of talent management of “people-oriented, people-merited, people-talented and development-shared” to create a healthy and safe working environment and an open and diversified communication platform and strives to achieve the joint development of enterprise and employees.

The Company and suppliers: The Company regards its suppliers as an essential link of Beijing Capital Airport’s value chain and requires them to comply with mutually agreed principles in order to build a close and long-term cooperative relationship. At the same time, the Company also focuses on improving our suppliers’ capability for sustainable development. Together with its suppliers, the Company aims to contribute to the sustainable development of the environment and society. In line with state laws and regulations, as well as the actual conditions of Beijing Capital Airport, the Company formulated and continuously amended its Procurement Management Regulation to standardise specific procurement procedures and steps for various procurement methods. The Company has established a supplier management method with a focus on “strict access, quantitative assessment, and dynamic management”.

The Company and customers: The major customers of the Company are airlines. During the year ended 31 December 2025, the Company maintained a long-term strategic cooperation relationship with the major base airline, through which the Company aims to build up synergy by optimising infrastructure and providing consistent services; by optimising passenger transport procedures at the terminals and improving ground service quality, the Company has created service products that are mutually beneficial to airlines and Beijing Capital Airport.

In addition to the above, for other discussions on the Company’s relationships with its employees, suppliers and customers, please refer to the ESG Report of the Company for the year ended 31 December 2025.

DONATIONS

During the year ended 31 December 2025, the total amount of charitable and other donations made by the Company was RMB0.78 million.

PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment of the Company as at 31 December 2025 and their changes for the year ended 31 December 2025 are set out in Note 13 to the Financial Statements.

REPORT OF THE BOARD (CONTINUED)

INVESTMENT PROPERTIES

The following table sets out the principal properties of the Company held for investment purposes:

Location	Lot number	Existing use	Category of lease
No.2 car parking building and No.3 car parking building, Beijing Capital Airport	– (Note)	Commercial and office	Long-term lease (Note)

Note: As at the date of this Report of the Board, (i) the Company had acquired the No.2 car parking building and No.3 car parking building from the Parent Company, but the procedures for change of title of No.3 car parking building were not yet completed; (ii) the land use rights certificate for the No.2 car parking building had been obtained and the relevant lot number is not stated in such certificate; and (iii) the Parent Company held the land use rights to the underlying parcel of land on which the No.3 car parking building is situated, and the Parent Company was in the process of applying for and obtaining the corresponding land use rights certificates of the No.3 car parking building from the Beijing Municipal Bureau of Land and Resources in order to transfer such land use rights certificates to the Company.

For further details relating to the investment properties, please refer to Note 15 to the Financial Statements.

RESERVES

Changes in reserves of the Company for the year ended 31 December 2025 are set out in Note 27 to the Financial Statements.

ACCUMULATED LOSSES/DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no distributable reserves available for distribution as dividends, while the accumulated losses of the Company amounted to RMB2,019,782,000.

ISSUED SHARE CAPITAL

The Company did not issue any share capital during the year ended 31 December 2025. The disclosure of issued share capital of the Company as at 31 December 2025 is set out on pages 35 to 36 of this annual report.

During the year ended 31 December 2025, the Company did not hold or sell any treasury shares.

TAXATION

The details of taxation of the Company for the year ended 31 December 2025 are set out in Note 9 to the Financial Statements.

EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered into by the Company during the year ended 31 December 2025 or subsisted as at 31 December 2025.

ENTRUSTED LOANS AND OVERDUE FIXED DEPOSITS

As at 31 December 2025, the Company had no entrusted loans or any fixed deposits matured but not yet withdrawn placed in financial institutions or other entities.

REPORT OF THE BOARD (CONTINUED)

DIVIDEND

As disclosed on page 54 of this annual report, the Board did not propose to distribute final dividend for the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

The sales to our largest customer, Air China Limited, and the five largest customers of the Company accounted for approximately 32.63% and 55.98%, respectively, of the total revenues of the Company for the year ended 31 December 2025.

The purchases from our largest supplier, Beijing Capital Airport Aviation Security Co., Ltd. ("CAAS") and the five largest suppliers of the Company accounted for approximately 14.03% and 37.99%, respectively, of the total operating expenses of the Company for the year ended 31 December 2025.

To the knowledge of the directors of the Company, none of the Company's directors or 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 2025. As at 31 December 2025, the Parent Company held the equity interests of the five largest suppliers of the Company as follows: it held 100% equity interest of CAAS; it held 100% equity interest of Capital Airports Power and Energy Co., Ltd. ("CAPE"); it held 100% equity interest of Beijing Bowei Airport Support Co., Ltd. ("Bowe"); it held 100% equity interest of Beijing Capital Airport Property Management Co., Ltd. ("BAPM"); and it held 100% equity interest of Capital Airport Holdings Media Co., Ltd. (formerly known as Beijing Capital Airport Advertising Company Limited, "CAHM").

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

On 23 September 2021, the Company, Inner Mongolia Autonomous Region Civil Aviation Airport Group Company Limited (內蒙古自治區民航機場集團有限責任公司)("Inner Mongolia Airport Group"), Capital Airport Group Equipment Operation and Maintenance Management Company Limited (首都機場集團設備運維管理有限公司)("Shouwei Company") and China Civil Aviation Xin'gang Guarantee Co., Ltd. (中航鑫港擔保有限公司)("Guarantee Company") established Beijing Chuanglian Civil Aviation Technology Company Limited (北京創聯民航技術有限公司)("Chuanglian"). Initially, the Company, the Inner Mongolia Airport Group, Shouwei Company and the Guarantee Company held 31%, 31%, 31% and 7% interests in Chuanglian, respectively. The registration of Chuanglian was completed on 11 October 2021, with a registered capital of RMB130,687,700. In March 2023, Shouwei Company and the Guarantee Company transferred an aggregate of 38% equity interest held by them in Chuanglian to Beijing Airport Group Technology Management Company Limited (the "Technology Company"). As at the date of this report, the Company, the Inner Mongolia Airport Group and the Technology Company completed the relevant capital contributions. In particular, the Company paid RMB40,513,200, accounting for 31% of the total registered capital of Chuanglian. Chuanglian is accounted for as the Company's associate. For details, please refer to the announcements of the Company dated 23 September 2021, 30 June 2023 and 21 July 2023.

Save as disclosed above, the Company had no subsidiaries, joint ventures or associates as at 31 December 2025.

REPORT OF THE BOARD (CONTINUED)

EVENTS OCCURRING AFTER THE REPORTING PERIOD

During the period from 1 January 2026 to 26 March 2026 (i.e. the date of this Report of the Board), save as disclosed in the inside information announcement of the Company dated 6 February 2026 regarding estimated decrease in loss for the year ended 31 December 2025 and the inside information announcement of the Company dated 17 March 2026 regarding the application to NAFMII for registration and issuance of medium-term notes and short-term debentures in the PRC, there was no material event or transaction affecting the Company and which is required to be disclosed by the Company to its shareholders.

TRADE RECEIVABLES

As at 31 December 2025, the Company's trade receivables were RMB1,062,050,000, representing an increase of 3.7% as compared with the same period of the previous year. The details of the Company's trade receivables are set out in Note 20 to the Financial Statements.

The policies relating to the trade receivables and the impairment are set out in Note 35 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, the Company did not purchase, sell or redeem any of its listed securities, nor was there any sale or transfer of treasury shares (if any) of the Company. As at 31 December 2025, the Company did not hold any treasury shares.

PRE-EMPTIVE RIGHTS

Under the articles of association of the Company and the laws of the PRC (being the jurisdiction in which the Company is incorporated), no pre-emptive rights exist which require the Company to offer new shares to its existing shareholders 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, which are subject to annual review requirements, for the year ended 31 December 2025 are set out as follows:

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts	
		for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
1 The Company and Beijing Capital Airport Commercial & Trading Co., Ltd. ("BACT") entered into the Domestic Retail Resources Usage Agreement on 6 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, BACT was permitted by the Company to use the retail resources situated in the domestic isolated area and the public area in Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport. The execution of this agreement is expected to enable more effective operation of the retail resources designated by Beijing Capital Airport, which in turn would 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 dated 6 November 2023 and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of BACT.	142,389	200,000
2 The Company and Capital Airport VIP Services Management Co., Ltd. ("CAVIP") entered into the Traveller Services Resources Usage Agreement on 27 December 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, the Company agreed to permit CAVIP to use certain areas and resources in the terminals of Beijing Capital Airport for the provision of various traveller services to the VIP travellers of Beijing Capital Airport. The execution of this agreement can enhance the efficiency of the traveller service resources usage in the terminals and improve the service quality of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 27 December 2023.	The Parent Company holds 100% equity interest of CAVIP.	30,713	56,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
3 The Company entered into the BGS Premises Leasing Framework Agreement with Beijing Aviation Ground Services Co., Ltd. ("BGS") on 29 December 2022, for a term commencing from 1 January 2023 to 31 December 2025. Pursuant to this, the Company agreed to lease certain premises of the terminals of Beijing Capital Airport to BGS for daily office work or operations. The execution of this agreement is conducive to increasing the non-aviation revenues of the Company. For details of the relevant transactions, please refer to the Company's announcements dated 29 December 2022 and 28 December 2023.	The Parent Company holds 51% equity interest of BGS.	55,714	80,000
4 The Company and Capital Airports Holding Business Aviation Management Company Limited ("BAMCL") entered into the Business Jet Ground Services Joint Operation Agreements on 30 September 2024 for a term commencing from 1 October 2024 to 30 September 2027. Pursuant to this, the Company agreed to permit BAMCL to conduct ground services and relevant businesses for the take-off and landing of business jets, and use the parking aprons for business jets at Beijing Capital Airport. The execution of the agreement enables the Company to advance the utilisation efficiency of the ground services resources for business jets at Beijing Capital Airport, enhance overall costs control, services quality, management efficiency and market competitiveness. Meanwhile, the cooperation with BAMCL can also increase the revenue of the Company. For details of the relevant transactions, please refer to the Company's announcement dated 30 September 2024.	The Parent Company holds 100% equity interest of BAMCL.	20,993	28,800
5 The Company and Beijing Capital Airport Food Management Co., Ltd. ("BAFM") entered into the Food and Beverage Resources Usage Agreement on 22 December 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, the Company agreed that BAFM may use the designated food and beverage premise resources at Beijing Capital Airport. The execution of this agreement is expected to enable more effective operations of the food and beverage premises in Beijing Capital Airport, which in turn will enhance food and beverage 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 dated 22 December 2023 and 29 April 2024.	The Parent Company holds 100% equity interest of BAFM.	6,349	7,500

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
6 The Company and the Parent Company entered into the Entrusted Assets Management Agreement on 27 September 2023 for a term commencing from 1 October 2023 to 30 September 2026. Pursuant to this, the Parent Company agreed to entrust the Company to provide management services in respect of certain assets used for the security of operation for large-scale conferences and events and the emergency transportation of Beijing Capital Airport (the "Assets"), including but not limited to daily repair and maintenance, security and property management of the Assets, operation of the Assets and the related property management and maintenance work. The execution of this agreement is expected to allow Beijing Capital Airport to coordinate and optimise resources allocation, and enhance its overall security capability and coordinated operation efficiency, thereby maximising the value of its resources. Meanwhile, it can continue to enhance the brand value of Beijing Capital Airport, as well as increase the recognition, favorability and confidence of travellers and the society in the Company and Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 27 September 2023.	The Parent Company holds 58.96% equity interest of the Company.	31,000	44,000
7 The Company and the Parent Company entered into the Information Systems Entrusted Management Agreement on 22 January 2024 for a term commencing from 22 January 2024 to 21 January 2027. Pursuant to this, the Parent Company agreed to entrust the Company to provide the Systems Management Services in relation to the information systems of the Parent Company. The execution of this agreement is expected to enhance the revenue of the Company. For details of the relevant transactions, please refer to the Company's announcement dated 22 January 2024.	The Parent Company holds 58.96% equity interest of the Company.	16,934	25,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
8 The Company and Beijing Capital Airport Tourism Business Co., Ltd. ("BATB") entered into the T3E Hotel Resources Usage Agreement on 29 April 2024 for a term commencing from 1 May 2024 to 30 April 2026. Pursuant to this, the Company agreed to permit BATB to occupy and use the relevant premises and resources located in Terminal Three of Beijing Capital Airport for the provision of the relevant services to passengers. The execution of this agreement is expected to provide professional and quality services to passengers, and continue to promote the development of the pay-in lounge business at Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 29 April 2024.	The Parent Company holds 100% equity interest of BATB.	6,944	10,500
9 The Company and BATB entered into the Tourism Business Resources Usage Agreement on 4 January 2025 for a term commencing from 4 January 2025 to 3 January 2028. Pursuant to this, the Company agreed to permit BATB to use the designated premises and resources at Terminal Two and Terminal Three of Beijing Capital Airport, so as to provide hotel consultation and reservation services, tourism consultation services and related services to the passengers. The execution of this agreement is expected to provide professional and quality services to passengers, and continue to promote the development of the tourism business resources at Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 4 January 2025.	The Parent Company holds 100% equity interest of BATB.	1,990	2,090
10 The Company and BACT entered into the BACT Premises Leasing Agreement on 3 November 2023 for a term commencing from 1 January 2024 to 31 December 2025. Pursuant to this, the Company agreed to lease certain office and storage premises of Terminal Two and Terminal Three of Beijing Capital Airport to BACT for daily office work or operations. The execution of this agreement is expected to enhance the non-aeronautical revenues of the Company. For details of the relevant transactions, please refer to the Company's announcement dated 3 November 2023.	The Parent Company holds 100% equity interest of BACT.	5,795	7,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
11 The Company and BACT entered into the Spots Leasing Agreement on 9 April 2025 for a term commencing from 10 April 2025 to 9 April 2026. Pursuant to this, the Company agreed to lease the designated premises located in Terminal One, Terminal Two and Terminal Three of Beijing Capital Airport to BACT for the provision of vending machines to sell food and beverage commodities. The execution of this agreement can better satisfy the daily service needs of travellers, and is also conducive to further promoting the commercial operation and development of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 9 April 2025.	The Parent Company holds 100% equity interest of BACT.	4,158	5,159
12 The Company and BAFM entered into the BAFM Premises Leasing Agreement on 29 December 2022 for a term commencing from 1 January 2023 to 31 December 2025. Pursuant to this, the Company agreed to lease certain office and storage premises of Terminal Two and Terminal Three of Beijing Capital Airport to BAFM for daily office or operation use. The execution of this agreement is expected to increase the Company's non-aeronautical revenue. For details of the relevant transactions, please refer to the Company's announcement dated 29 December 2022.	The Parent Company holds 100% equity interest of BAFM.	2,793	5,000
13 The Company and CAHM entered into the CAHM Premises Leasing Agreement on 28 December 2023 for a term commencing from 1 January 2024 to 31 December 2025. Pursuant to this, the Company agreed to lease certain office and storage premises of Terminal Two and Terminal Three of Beijing Capital Airport to CAHM for daily office or operation use. The execution of this agreement is expected to increase the Company's non-aeronautical revenue. For details of the relevant transactions, please refer to the Company's announcement dated 28 December 2023.	The Parent Company holds 100% equity interest of CAHM.	1,051	5,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
14 The Company and BGS entered into the De-icing Services Cooperation Agreement on 17 November 2023 for a term commencing from 17 November 2023 to 16 November 2026. Pursuant to this, the Company agreed to lease part of the de-icing vehicles and protection vehicles to BGS and entrust BGS to operate the station de-icing business in the western area of Beijing Capital Airport. The execution of this agreement is expected to enhance the capacity of Beijing Capital Airport during snowy weather in winter and in special circumstances, and increase the relevant revenue of the Company, which is therefore beneficial to the development of the Company. For details of the relevant transactions, please refer to the Company's announcement dated 17 November 2023.	The Parent Company holds 51% equity interest of BGS.	963	10,000
15 The Company and CAAS entered into the Supply of Aviation Safety and Security Guard Services Agreement on 20 October 2022 for a term commencing from 1 January 2023 to 31 December 2025. Pursuant to this, CAAS agreed to provide aviation safety and security guard services to 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. As such, the engagement of CAAS for the provision of aviation safety and security guard services will enable the Company to focus on operating and developing its core businesses in Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 20 October 2022 and the circular dated 6 December 2022.	The Parent Company holds 100% equity interest of CAAS.	811,561	924,480

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
16 The Company and the Power and Energy Company and/or Beijing Capital Airport Energy-saving Technical Service Co., Ltd., which is its wholly-owned subsidiary, entered into the Supply of Miscellaneous Energy Services Agreement on 6 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, the Energy Service Suppliers agreed to provide power and energy services and energy management and conservation services to the Company at Beijing Capital Airport. The execution of this agreement is expected to provide stable supply of water, power, steam, natural gas, cooling and heating services to the Company and satisfy the Company's relevant needs for emergency response capabilities, professionalism and efficiency of services, so as to effectively provide energy conservation services for Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 6 November 2023 and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of the Power and Energy Company.	500,199	721,000
17 The Company and Bowei entered into the Operation and Maintenance Services Framework Agreement on 20 October 2022, for a term commencing from 1 January 2023 to 31 December 2025. Pursuant to this, Bowei agreed to provide the Company with operation and maintenance services at terminals, airfield, public area and other designated areas of Beijing Capital Airport. The execution of this agreement is conducive to ensuring the stability of the daily operation and service quality of Beijing Capital Airport, while ensuring the rapid responsiveness and the specialty and high efficiency required for the operation of the isolated area of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 20 October 2022 and the circular dated 6 December 2022.	The Parent Company indirectly holds 100% equity interest of Bowei.	394,867	468,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
18 The Company and Property Management Company entered into the Supply of Miscellaneous Property Services Agreement on 6 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, the Property Management Company agreed to provide miscellaneous property services to the Company. The execution of this agreement is expected to help the Company control overall costs and enhance service quality in the relevant areas. For details of the relevant transactions, please refer to the Company's announcement dated 6 November 2023 and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of the Property Management Company.	178,481	309,000
19 The Company and the Power and Energy Company entered into the Supply of Operation and Maintenance Services of Power and Energy Facilities Framework Agreement on 6 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, the Power and Energy Company agreed to provide operation and maintenance services to the Company for the power and energy facilities of Beijing Capital Airport. The execution of this agreement is expected to provide operation and maintenance services for the heating, ventilation and air-conditioning system, electricity supply and distribution system, water supply and drainage system, and building automation system and energy facilities at the terminal areas of Beijing Capital Airport and the surrounding areas thereof, and offer the operation and maintenance services of sewage disposal and garbage incineration facilities as well as other related services requested by the Company. For details of the relevant transactions, please refer to the Company's announcement dated 6 November 2023 and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of the Power and Energy Company.	206,725	213,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
20 The Company and BACT entered into the International Retail Management Agreement on 7 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, BACT agreed to provide to the Company operation and management services of designated retail resources in the international isolated area and the international arrival area in Terminal Two and Terminal Three of Beijing Capital Airport. Given that BACT is familiar with the international retail business within Beijing Capital Airport and has rich resources 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 commercial and retail 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 announcements dated 7 November 2023 and 19 September 2024, and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of BACT.	62,680	110,000
21 The Company and CAHM entered into the Advertising Management Agreement on 7 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, CAHM agreed to operate and manage the designated advertising resources within or in the vicinity of Beijing Capital Airport. Given that CAHM is familiar with the advertising business within Beijing Capital Airport and has ample client resources and strong capability of initiating tender invitation and management for advertising business, 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 announcements dated 7 November 2023 and 19 September 2024, and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of CAHM.	109,253	170,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
22 The Company and BAFM entered into the Food and Beverage Management Agreement on 7 November 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, BAFM agreed to provide operation and management services to the Company in respect of the designated food and beverage resources at Beijing Capital Airport. Given that BAFM is familiar with the food and beverage business within Beijing Capital Airport and has ample client resources and strong management capacity on food and beverage tender invitation and operation, the execution of this agreement is expected to enhance the quality of food and beverage services and value of food and beverage 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 dated 7 November 2023 and the circular dated 11 December 2023.	The Parent Company holds 100% equity interest of BAFM.	88,520	121,000
23 The Company and Beijing Capital Airport Aviation Services Company Limited ("Aviation Services Company") entered into the Purchase of Services Framework Agreement on 22 December 2023 for a term commencing from 1 January 2024 to 31 December 2026. Pursuant to this, the Aviation Services Company provided joint inspection services in the border control customs areas, business monitoring services, temporary storage and lost and found services at Terminal Two and Terminal Three of Beijing Capital Airport, and deployment of other service staff for on-site daily operational services. The execution of this agreement can ensure the daily operations of the terminals of Beijing Capital Airport and further optimise the traffic order to improve the service experience of travellers. For details of the relevant transactions, please refer to the Company's announcement dated 22 December 2023.	The Parent Company indirectly holds 100% equity interest of the Aviation Services Company.	59,670	95,000

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
24 The Company and CAVIP entered into the Purchase of Services for Travellers Agreement on 29 December 2023 for a term commencing from 1 January 2024 to 31 December 2025. Pursuant to this, the Company engaged travellers' service staff from CAVIP to provide traveller services for ordinary travellers arriving and departing the terminals and other designated areas of Beijing Capital Airport. The execution of this agreement can enhance the utilisation efficiency of the traveller service resources in the terminals and improve the quality of traveller services in Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 29 December 2023.	The Parent Company holds 100% equity interest of CAVIP.	30,857	46,000
25 The Company and Beijing Civil Aviation Airport Bus Co., Ltd. (the "Bus Company") entered into the Landside Shuttle Bus Services Agreement on 13 December 2024, for a term commencing from 15 December 2024 to 14 December 2025. Pursuant to this, the Company agreed to engage the Bus Company to provide passengers in the eastern and western terminal areas of Beijing Capital Airport with complimentary landside transit shuttle bus services. The execution of this agreement is expected to support the compatibility and continuity of the landside shuttle bus services and to facilitate the rapid transfers of passengers between terminals at Beijing Capital Airport in order to ensure a more convenient and smooth flight transfer and improve passenger satisfaction. For details of the relevant transactions, please refer to the Company's announcement dated 13 December 2024.	The Parent Company holds 51% equity interest of the Bus Company.	9,991	21,000
26 The Company and the Bus Company entered into the Bus Transport Services Framework Agreement on 30 June 2025 for a term commencing from 1 July 2025 to 30 June 2028. Pursuant to this, the Company agreed to engage the Bus Company to provide bus transport services from time to time according to actual needs, and may enter into specific agreements with the Bus Company according to the terms of the framework agreement. The execution of this agreement is expected to ensure the service quality of Beijing Capital Airport, and safeguard the operational efficiency of the bus transport services. For details of the relevant transactions, please refer to the Company's announcement dated 30 June 2025.	The Parent Company holds 51% equity interest of the Bus Company.	25,435	32,450

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
27 The Company and the Bus Company entered into the Airside Passenger Shuttle Bus Services Agreement on 2 January 2024, for a term commencing from 2 January 2024 to 30 June 2025. Pursuant to this, the Company agreed to engage the Bus Company to provide Airside Shuttle Bus Services. The execution of this agreement is expected to safeguard and enhance the quality of services and operational efficiency of the airside shuttle buses. For details of the relevant transactions, please refer to the Company's announcement dated 2 January 2024.	The Parent Company holds 51% equity interest of the Bus Company.	6,028	6,916
28 The Company entered into the Frequent Traveller Paid Membership Management Agreement with CAVIP on 1 August 2022, for a term commencing from 1 August 2022 to 31 July 2025. Pursuant to this, the Company agreed to permit CAVIP to operate and manage the frequent traveller's paid membership business, the existing business related to the VIP travellers' services and the respective relevant resources in Beijing Capital Airport. The execution of this agreement with CAVIP can enhance the quality of commercial development and is in favour of the better operation and development of the frequent traveller's paid membership business of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcements dated 1 August 2022 and 3 November 2023.	The Parent Company holds 100% equity interest of CAVIP.	12,917	25,000
29 The Company entered into the Service Building Staff Restaurant Services Management Agreement with Beijing Jingrui Hotel Management Co., Ltd. ("Beijing Jingrui") on 30 November 2022, for a term commencing from 1 December 2022 to 30 November 2025. Pursuant to this, Beijing Jingrui agreed to operate the staff restaurants located at the service office building of the Company, the fire and rescue management center or other staff restaurants as required by the Company, and to provide catering services, emergency meal support, banquet service support and delivery service support to the Company in accordance with the service standards stipulated by the Company. The execution of this agreement with Beijing Jingrui is conducive to ensuring the dining safety of the employees, as well as supporting the daily operations of Beijing Capital Airport and the continuous stability of its service quality. For details of the relevant transactions, please refer to the Company's announcement dated 30 November 2022.	The Parent Company indirectly holds 100% equity interest of Beijing Jingrui.	3,136	6,500

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
30 The Company entered into the Terminals Drinking Water Facility Management Services Agreement with Beijing Zhongpeng Drinking Water Co., Ltd. ("Beijing Zhongpeng") on 30 December 2022, for a term commencing from 1 January 2023 to 31 December 2025. Pursuant to this, Beijing Zhongpeng agreed to provide the Company with services of surveillance and maintenance, sanitisation and disinfection, supply of bottled water for emergency, and water quality assessment to the drinking water facility in the Terminals. The execution of this agreement with Beijing Zhongpeng is conducive to supporting the daily operations of Beijing Capital Airport and improving the service quality and efficiency to passengers. For details of the relevant transactions, please refer to the Company's announcement dated 30 December 2022.	The Parent Company indirectly holds 100% equity interest of Beijing Zhongpeng.	581	5,800
31 The Company entered into the General Technology Services Agreement with Capital Airport Group Technology Management Co., Ltd. (the "Technology Company") on 1 December 2023, for a term commencing from 1 December 2023 to 30 November 2026. Pursuant to this, the Technology Company agreed to provide services to the Company in relation to system maintenance of the production operations and operations management systems of the Company. The execution of this agreement with the Technology Company is conducive to the sharing of operation and maintenance resources of the Company, thereby further reducing related costs. For details of the relevant transactions, please refer to the Company's announcement dated 1 December 2023.	The Parent Company holds 100% equity interest of the Technology Company.	3,271	3,750

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
32 The Company and the Parent Company entered into the Airfield Land Lease Agreement on 26 October 2006, for the lease of the Airfield Land by the Company from the Parent Company, with the term of 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 at the time, and subject to further renewal for 10 years on same terms and conditions in accordance with the applicable PRC laws at the time. The execution of this agreement is expected to ensure the long-term use of the aforesaid 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 the relevant transactions, please refer to the Company's announcements dated 26 October 2006 and 31 January 2008.	The Parent Company holds 58.96% equity interest of the Company.	28,000	28,000 Note 1
33 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 holds 58.96% equity interest of the Company.	12,050	12,050 Note 2
34 The Company and the Parent Company entered into the Security Inspection Equipment Leasing Framework Agreement on 17 December 2024, for a term commencing from 17 December 2024 to 16 December 2027. Pursuant to this, the Company leased the Security Inspection Equipment from the Parent Company. The execution of this agreement with the Parent Company can ensure the stability of the operations of Beijing Capital Airport as a whole, and the leasing arrangement is also conducive to the Company's evaluation of potential acquisition of the Security Inspection Equipment as and when appropriate. For details of the relevant transactions, please refer to the Company's announcement dated 17 December 2024.	The Parent Company holds 58.96% equity interest of the Company.	9,523	33,020

REPORT OF THE BOARD (CONTINUED)

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Total transaction amounts for the year ended 31 December 2025 RMB'000	Annual cap RMB'000
35 The Company and Beijing Capital Airport Group Finance Company Limited (the "Finance Company") entered into the Financial Services Agreement on 23 December 2024 with effect from 1 January 2025 to 31 December 2025. Pursuant to this, the Company agreed to engage the Finance Company to provide deposit services and consider to engage the Finance Company with priority under the same terms and conditions to provide loan services and other financial services. The execution of this agreement is expected to facilitate more expedient and efficient financial services for the Company. For details of the relevant transactions, please refer to the Company's announcement dated 23 December 2024.	The Parent Company directly and indirectly holds 100% equity interest of the Finance Company.	84,646	Cap of deposit services: 100,000 for maximum daily deposit balance <i>Note 3</i>

Notes:

- 1 The Airfield Land Lease Agreement and the related supplemental agreement, including the rented areas and rental, are in the process of obtaining approval from the land administration authorities.
- 2 Since 1999, the cap may increase by no more than 10% every three years.
- 3 The pricing policies for the Financial Services Agreement are as follows:
 - (1) The interest rate payable for the Company's deposits with the Finance Company shall not be lower than the benchmark interest rate payable by the People's Bank of China for comparable deposits;
 - (2) The interest rate to be charged for the loans to be provided by the Finance Company to the Company shall not be higher than the rate charged by ordinary commercial banks in the PRC for comparable loans;
 - (3) The service fees to be charged for the settlement services, bill acceptance and discounting services, financial and financing advisory services to be provided by the Finance Company shall not be higher than the service fees charged by ordinary commercial banks in the PRC for comparable services.

The management of the Company confirmed that the aforesaid transactions: (1) were entered into in the ordinary course of business of the Company, and carried out under effective regulatory and internal control system; (2) were on normal commercial terms or better; (3) were on terms that are fair and reasonable; and (4) in which the total annual interest from deposit services was RMB81,951.59 as at 31 December 2025.

The Company has followed the pricing policies and guidelines, as stated in the relevant announcements and circulars of the Company, when determining the prices and terms of the above continuing connected transactions that were conducted during the year ended 31 December 2025.

REPORT OF THE BOARD (CONTINUED)

Confirmation of Independent Non-executive Directors in relation to the Continuing Connected Transactions

Pursuant to Rule 14A.55 of the Listing Rules, the above continuing connected transactions were reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the above continuing connected transactions had been entered into:

1. in the ordinary and usual course of business of the Company;
2. either (i) on normal commercial terms or better; or (ii) on terms no less favourable to the Company than the terms available to or from independent third parties (if applicable); and
3. according to 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.

Report from the Auditor of the Company in relation to the Continuing Connected Transactions

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged Deloitte Touche Tohmatsu, the Company's auditor, to report on the Company's continuing connected transactions during the year ended 31 December 2025 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "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 a report in respect of the continuing connected transactions disclosed by the Company as above in accordance with Rule 14A.56 of the Listing Rules, confirming that:

- a. nothing has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Company's board of directors;
- b. for transactions involving the provision of services by the Company, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- c. nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d. with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions have exceeded the annual cap as set by the Company.

REPORT OF THE BOARD (CONTINUED)

CONNECTED TRANSACTIONS

According to the requirements under Chapter 14A of the Listing Rules, the connected transactions, which are subject to the annual reporting requirements, for the year ended 31 December 2025 are set out as follows:

Description of the transactions and date of the relevant announcements	Relationship between contracting parties	Consideration of the connected transaction <i>RMB'000</i>
1 The Company and the Parent Company entered into the Asset Transfer Contract on 15 May 2025, pursuant to which the Company agreed to acquire, and the Parent Company agreed to sell, the target assets. The execution of this agreement is beneficial to further clarifying and defining the asset ownership of the Company, improving the safety guarantee level and operational efficiency of Beijing Capital Airport, and ensuring the smoothness, orderliness and high efficiency of the daily operations of Beijing Capital Airport. For details of the relevant transactions, please refer to the Company's announcement dated 15 May 2025.	The Parent Company holds 58.96% equity interest of the Company.	299,270 (with the maximum consideration not exceeding 352,482)
2 The Company and the Parent Company entered into the 2025 Property Leasing Contract on 29 September 2025 for a term commencing from 1 October 2025 to 30 September 2026. Pursuant to this, the Company (as lessee) agreed to lease the ITC property, armed police property and lounge property from the Parent Company (as lessor). The execution of this agreement is expected to facilitate the Company's management of the administration and daily operations of Beijing Capital Airport, thereby achieving overall smooth operations. For details of the relevant transactions, please refer to the Company's announcement dated 29 September 2025.	The Parent Company holds 58.96% equity interest of the Company.	36,519 (with the maximum consideration not exceeding 37,000)

Pursuant to the requirements under Chapter 14 of the Listing Rules, save as disclosed above, there are no other connected transactions that are subject to the annual reporting requirements during the year ended 31 December 2025.

Details of the related party transactions of the Company carried out in the ordinary course of business during the year ended 31 December 2025 are set out in Note 38 to the Financial Statements. Save for the continuing connected transactions and connected transactions as disclosed above, none of those related party transactions constitute connected or continuing connected transactions that are subject to reporting, annual review, announcement and/or independent shareholders' requirements under Chapter 14A of the Listing Rules. The Company confirms that in respect of the transactions which are both (i) related party transactions; and (ii) connected or continuing connected transactions, it has complied with the relevant requirements in accordance with Chapter 14A of the Listing Rules and has followed the pricing policies and guidelines when determining the prices and terms of such transactions, the details of which are set out in their respective announcements and/or circulars as mentioned above.

REPORT OF THE BOARD (CONTINUED)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the total issued share capital of the Company was 4,579,178,977 shares, comprising 1,879,364,000 H shares and 2,699,814,977 domestic shares.

As at 31 December 2025, the interests and short positions held by the following persons, other than the directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") were as follows:

Name of substantial shareholder	Class of shares	Number of shares	Capacity/nature of interest	Approximate percentage of shareholding to the relevant class of shares	Approximate percentage of shareholding to the total issued shares
Capital Airports Holdings Co., Ltd. <i>(Note 1)</i>	Domestic shares	2,699,814,977 (L)	Beneficial owner	100%	58.96%
Mitsubishi UFJ Financial Group, Inc. <i>(Note 2)</i>	H shares	169,692,000 (L)	Interest of corporation controlled by substantial shareholder	9.02%	3.71%
BlackRock, Inc.	H shares	131,577,424 (L)	Interest of corporation controlled by substantial shareholder	7.00%	2.87%
		65,490,000 (S)	Interest of corporation controlled by substantial shareholder	3.48%	1.43%
			Investment manager		
Aberdeen Asset Management PLC and its associates <i>(Note 3)</i>	H shares	114,868,000 (L)	Investment manager	6.11%	2.51%
Mr. Jiang Jinzhi <i>(Note 4)</i>	H shares	105,602,000 (L)	Interest of corporation controlled by substantial shareholder	5.62%	2.31%
Causeway Capital Management LLC <i>(Note 3)</i>	H shares	105,506,700 (L)	Investment manager	5.61%	2.30%
Hermes Investment Funds PLC	H shares	94,613,662 (L)	Beneficial owner	5.03%	2.07%
Fortune Enrichment Holdings Limited	H shares	94,109,994 (L)	Beneficial owner	5.00%	2.06%

(L) = Long Position

(S) = Short Position

(P) = Lending Pool

REPORT OF THE BOARD (CONTINUED)

Notes:

1. Capital Airports Holdings Co., Ltd. was incorporated in the PRC, and is the controlling shareholder of the Company. Mr. Song Kun, the chairman of the Board and an executive director of the Company, is the chairman of the board and the secretary of the Party committee of Capital Airports Holdings Co., Ltd. Mr. Li Yongbing, an executive director and the general manager of the Company, is a member of the Party committee of Capital Airports Holdings Co., Ltd. Mr. Du Qiang, a non-executive director of the Company, is a director, the general manager and the deputy secretary of the Party committee of Capital Airports Holdings Co., Ltd. Mr. Xue Rongguo, a non-executive director of the Company, is the deputy secretary of the Party committee of Capital Airports Holdings Co., Ltd. Mr. Shen Lancheng, a non-executive director of the Company, is the chief accountant and a member of the Party committee of Capital Airports Holdings Co., Ltd.
2. Based on the disclosure form dated 26 November 2025 of Mitsubishi UFJ Financial Group, Inc. (being the latest disclosure form filed by it up to 31 December 2025), as at 24 November 2025, among its interests in the shares of the Company, (i) 144,097,900 shares were held by First Sentier Investors (Australia) IM Ltd; and (ii) 25,594,100 shares were held by First Sentier Investors (Australia) RE Ltd. Each of First Sentier Investors (Australia) IM Ltd and First Sentier Investors (Australia) RE Ltd was wholly-owned by First Sentier Group Limited, which was in turn wholly-owned by Mitsubishi UFJ Trust and Banking Corporation. Mitsubishi UFJ Trust and Banking Corporation was wholly-owned by Mitsubishi UFJ Financial Group, Inc.
3. These shares are held in the capacity of investment manager.
4. Based on the disclosure form dated 26 February 2021 of Mr. Jiang Jinzhi (being the latest disclosure form filed up to 31 December 2025), as at 24 February 2021, among his interests in the shares of the Company, (i) 90,476,000 shares in total were held by Greenwoods China Alpha Master Fund and by Golden China Master Fund, and (ii) 15,126,000 shares were held by Shanghai Greenwoods Asset Management Company Limited. Each of Greenwoods China Alpha Master Fund and Golden China Master Fund was indirectly wholly-owned by Invest Partner Group Limited through Greenwoods Asset Management Hong Kong Limited. Invest Partner Group Limited was directly held as to 84.5% by Mr. Jiang Jinzhi. Shanghai Greenwoods Asset Management Company Limited was wholly-owned by Xizang Jingning Corporate Management Company Limited, which was in turn indirectly held as to 84.5% by Mr. Jiang Jinzhi.
5. The information in the above table is based on information publicly available to the Company as at 31 December 2025.
6. The numbers in the above table have been subject to rounding adjustments. Any discrepancies in the number are due to rounding.

Note: As the Company no longer maintained a supervisory committee with effect from 28 August 2025, its members ceased to be supervisors of the Company.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVE

As at 31 December 2025, none of the directors or the chief executive of the Company had any interests or short positions in any shares, 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 Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules (the "Model Code").

DIRECTORS' AND SUPERVISORS' (NOTE) INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

During the year ended 31 December 2025, 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 Appendix D2 to the Listing Rules) (other than service contracts or appointment letters) to which the Company was a party.

DIRECTORS' AND SUPERVISORS' (NOTE) RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2025, the Company, its holding company or any of its subsidiaries or fellow subsidiaries was not a party to any arrangement which enables the directors or supervisors of the Company, or their respective spouses or children under 18 years of age, to acquire benefits by means of acquisition of any shares in, or debentures of, the Company or any other body corporate. During the year ended 31 December 2025, none of the directors, supervisors (note) or the chief executive of the Company, or their associates, had been granted the right to subscribe for any shares or debentures of the Company, nor had any of them exercised such rights during the same period.

REPORT OF THE BOARD (CONTINUED)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As disclosed in Note 1 under the section headed "Interests and Short Positions of Substantial Shareholders" in this Report of the Board, five of the directors of the Company hold positions concurrently in the Parent Company, i.e. the controlling shareholder of the Company. As such, they shall be deemed to have interests in the Parent Company pursuant to the relevant requirements under Rule 8.10 of the Listing Rules for the purpose of such rule.

In view of the huge capital investment in the construction of Beijing Daxing International Airport ("Daxing Airport") by the Parent Company and the relatively large operating pressure and financial pressure that will be subsequently faced by Daxing Airport continually, and pursuant to the relevant requirements under the deed of non-competition dated 26 October 1999 entered into between the Company and the Parent Company (the "Deed of Non-competition"), on 28 June 2018, the Board considered and passed the following after careful consideration: (i) approved in writing for the Parent Company to engage in aeronautical and non-aeronautical businesses of Daxing Airport; (ii) the Company retained the option to purchase the assets of the Daxing Airport. For details, please refer to the inside information announcement of the Company dated 28 June 2018.

In 2019, following the official commencement of operations of Daxing Airport on 25 September, the general landscape of "one city, two airports" in Beijing's aviation market and the "dual-hub" model, which allows the strengths of both Beijing Capital Airport and Daxing Airport to complement each other, were preliminarily formed. The Parent Company also started engaging in the aeronautical and non-aeronautical businesses of Daxing Airport. As the Company is engaged in the operations of aeronautical and non-aeronautical businesses of Beijing Capital Airport, certain businesses of the Parent Company are competing with the business of the Company.

As disclosed in the inside information announcement of the Company dated 28 June 2018, the Parent Company has obtained prior written consent from

the Company, which was approved by the Board (namely the independent non-executive directors, as other directors of the Company who also serve as directors or senior management of the Parent Company have abstained from voting), in accordance with the requirements under the Deed of Non-competition before engaging in the above-mentioned competing businesses. The Company has also retained the option to purchase the assets of Daxing Airport. In addition, the directors of the Company are fully aware of, and have been discharging, their fiduciary duties to the Company. Based on the above, it is expected that the interests of the Company in the relevant businesses will be adequately protected and the Company is capable of operating its aeronautical and non-aeronautical businesses independently of the Parent Company. Therefore, the Company is of the view that the Company is capable of carrying on the above businesses independently of, and at arm's length from, the businesses of the Parent Company.

Save as disclosed above, during the year ended 31 December 2025 and up to the date of this Report of the Board, none of the directors of the Company or their respective associate(s) (as defined under the Listing Rules) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Company.

CONTRACTS OF SIGNIFICANCE

Save for those transactions disclosed in the note headed "Related Party Transactions" in the Note 38 to the Financial Statements and the sections headed "Connected Transactions" and "Continuing Connected Transactions" in this Report of the Board, there was no contract of significance (as defined in Appendix D2 to the Listing Rules) during the year ended 31 December 2025:

- (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 2025, no contracts concerning the management and administration of the whole or any substantial part of any 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 coverage for, among others, third party liability which may be incurred by the directors and officers of the Company.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS ^(NOTE) AND THE FIVE HIGHEST PAID INDIVIDUALS

The details of emoluments of directors and supervisors and the five highest paid individuals for the year ended 31 December 2025 are set out in Notes 10 and 11 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 2025.

PUBLIC FLOAT

The Board confirmed that, as at 26 March 2026 (i.e. the date of this Report of the Board), 1,879,364,000 H shares, representing 41.04% of the entire issued shares 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 AND SUPERVISORS ^(NOTE) OF LISTED ISSUERS

The Company has adopted the Code for Securities Transactions by Directors, Supervisors and Staff (the "Code") to regulate the securities transactions by directors and supervisors. The standard of the Code is no less exacting than the required standard of the Model Code.

Following specific enquiries made with all the directors and supervisors, the Company has confirmed that each of its directors and supervisors has complied with the Model Code and the required standard set out in the Code of the Company during the year ended 31 December 2025.

AUDITORS

On the 2023 annual general meeting of the Company held on 23 May 2024, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers retired as the auditors of the Company, and pursuant to the resolution passed by shareholders of the Company, Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu were appointed as the auditors of the Company for the year ended 31 December 2024.

According to the resolution passed at the 2024 annual general meeting of the Company held on 27 June 2025, Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu were appointed as the Company's auditors for the year ended 31 December 2025.

Note: As the Company no longer maintained a supervisory committee with effect from 28 August 2025, its members ceased to be supervisors of the Company.

REPORT OF THE BOARD (CONTINUED)

DIRECTORS AND SENIOR MANAGEMENT

At the 2022 AGM convened on 20 June 2023, the election of Mr. Wang Changyi, Mr. Han Zhiliang, Mr. Jia Jianqing, Mr. Song Kun, Mr. Du Qiang, Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng and Ms. Duan Donghui as members of the ninth session of the Board was considered and approved. The term of office of the ninth session of the Board commences from the date of conclusion of the 2022 AGM and ends on the date of convening the 2025 general meeting.

At the 2022 AGM convened on 20 June 2023, the election of Mr. Liu Chunchen, Mr. Japhet Sebastian Law and Mr. Jiang Ruiming as members of the ninth session of the supervisory committee of the Company (the "Supervisory Committee") was considered and approved. The other members of the ninth session of the Supervisory Committee comprise Mr. Liu Jiliang and Ms. Wu Xiaoli, who are supervisors representing employees of the Company. The term of office of the ninth session of the Supervisory Committee commences from the date of conclusion of the 2022 AGM and ends on the date of convening the 2025 general meeting.

On 20 June 2023, the ninth session of the Board appointed Mr. Han Zhiliang as the general manager of the Company, Mr. Deng Xianshan, Mr. Wang Weiyu, Ms. Li Chun and Ms. Zhao Ying as the deputy general managers of the Company, Mr. Li Zhiyong as the chief financial officer of the Company, and Mr. Meng Xianwei as the secretary to the Board.

On 27 September 2023, Mr. Meng Xianwei resigned as the secretary to the Board of the Company due to job re-assignment. On the same day, Ms. Li Bo was appointed as the secretary to the Board of the Company.

On 28 December 2023, Mr. Meng Xianwei resigned as the company secretary of the Company due to further adjustment of work. On the same day, Ms. Li Bo and Ms. Liu Jiong were appointed as the joint company secretaries of the Company.

On 1 February 2024, Mr. Wang Weiyu retired as the deputy general manager of the Company as he had attained the retirement age.

On 17 February 2025, Mr. Han Zhiliang retired as the general manager of the Company as he had attained the retirement age.

On 26 June 2025, Mr. Wang Changyi retired as he had attained the retirement age, was appointed from an executive director of the Company to a non-executive director of the Company, and ceased to serve as the chairman of the Board. On the same day, Mr. Song Kun was appointed from a non-executive director to an executive director of the Company, and was elected as the chairman by the Board.

On 30 June 2025, the ninth session of the Board appointed Mr. Li Yongbing as the general manager of the Company.

On 28 August 2025, due to attaining the retirement age, Mr. Han Zhiliang resigned as an executive director of the Company, and Mr. Wang Changyi and Mr. Jia Jianqing resigned as non-executive directors of the Company. On the same day, the election of Mr. Xue Rongguo, Mr. Shen Lancheng and Mr. Li Yongbing as members of the ninth session of the Board was considered and approved at the extraordinary general meeting of the Company. Their term of office took effect upon the conclusion of the extraordinary general meeting and will end upon the expiry of the term of the ninth session of the Board.

On 16 September 2025, the Company convened the third meeting of the fifth session of the employee representative congress to elect Mr. Liu Jiliang as an employee Director of the Company.

On 31 December 2025, Mr. Deng Xianshan resigned as the deputy general manager of the Company due to attaining the retirement age, which took effect from 1 January 2026.

REPORT OF THE BOARD (CONTINUED)

In addition, on 28 May 2025, Mr. Liu Chunchen resigned as a supervisor and the chairman of the Supervisory Committee of the Company. With effect from 28 August 2025, the Company no longer maintained the Supervisory Committee. Accordingly, Mr. Liu Jiliang, Mr. Japhet Sebastian Law, Mr. Jiang Ruiming and Ms. Wu Xiaoli have ceased to serve as supervisors of the Company.

Mr. Xue Rongguo (on 20 August 2025), Mr. Shen Lancheng (on 22 August 2025), Mr. Li Yongbing (on 20 August 2025) and Mr. Liu Jiliang (on 16 September 2025) has each obtained the legal opinion described in Rule 3.09D of the Listing Rules and confirmed that they understand their responsibilities as directors of a listed issuer.

All executive directors of the Company have entered into director's service contracts with the Company with a term expiring on the date of the general meeting for the year of 2025. All non-executive directors have entered into letters of undertaking to perform the obligations of non-executive directors in accordance with the Articles of Association of the Company. Save as mentioned above, none of the directors of the Company has entered or proposed to enter into a service contract with the Company. None of the directors has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Other than working relationships, there are no financial, business, family relationship or other material relationships among the directors of the Company.

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

Executive Directors

Mr. Song Kun, aged 54, a senior engineer, was appointed from a non-executive director of the Company to an executive director of the Company and elected by the Board as the chairman of the Board on 26 June 2025. Mr. Song graduated from Department of Road and Traffic Engineering of Tongji University, majoring in highway and urban road and obtained a Bachelor's degree of Engineering, and he holds a Master's degree of Engineering in transportation engineering from Civil Aviation University of China. From July 1995 to March 2009, Mr. Song successively served at China Airport Construction Corporation, the chief quality supervision station for professional engineering of civil aviation, and China Airport Construction Group Corporation; from March 2009 to December 2010, he served as the director of the office of the Parent Company; from December 2010 to July 2011, he served as assistant to chief commander and a member of the Communist Party Committee of Beijing New Airport Construction Headquarters and the director of office of the Parent Company; from July 2011 to May 2012, he served as assistant to chief commander and a member of the Communist Party Committee of Beijing New Airport Construction Headquarters; from May 2012 to June 2016, he served as the general manager of the airport construction department of the Parent Company; from June 2016 to September 2018, he served as the secretary of the Communist Party Committee and deputy general manager of Jilin Civil Airports Group Company; from September 2018 to December 2019, he served as the general manager and deputy secretary of the Communist Party Committee of Jilin Civil Airports Group Company; from December 2019 to April 2025, he served as the deputy general manager and a member of the Communist Party Committee of the Parent Company; since April 2025, he has served as the chairman and secretary of the Communist Party Committee of the Parent Company. In January 2018, Mr. Song was elected a deputy to the thirteenth People's Congress of Jilin Province and served as a member of Personnel Election Committee; in January 2019, he was appointed as an invited supervisor of the first session of Supervision Committee of Jilin Province.

REPORT OF THE BOARD (CONTINUED)

Mr. Wang Changyi, aged 61, was re-appointed as an executive director of the Company and elected as the chairman of the Board on 20 June 2023. On 26 June 2025, having attained the retirement age, he was redesignated from an executive director of the Company to a non-executive director of the Company, and ceased to serve as the chairman of the Board. He resigned as a non-executive director of the Company on 28 August 2025. Mr. Wang graduated from Tianjin University with a Bachelor's degree in infrastructure management and engineering, and holds a Master's degree in public management from Peking University. From August 1987 to January 1998, Mr. Wang successively served as a cadre and a principal officer of the Infrastructure Management Division, as well as a principal officer and the deputy director of the Standards and Technology Division of the Airport Management Department for Infrastructure Projects, of the Civil Aviation Administration of China ("CAAC"). From January 1998 to August 2003, he successively served as the deputy director, the deputy director (at director level) and the director of the Director General Office under the General Office of CAAC. From August 2003 to August 2011, he successively served as the deputy director of the General Office, the vice director-general (at deputy department director level) of the Comprehensive Department and the vice director-general of the Airport Department of CAAC. He was the secretary of the Party committee of the Civil Aviation Medical Center of CAAC (Civil Aviation General Hospital) from August 2011 to December 2013. From December 2013 to October 2018, he served as the director-general (at department director level) of the Development and Planning Department of CAAC. He served as the director-general, and a member of the standing committee and the deputy secretary of the Party committee of the CAAC Northwest Regional Administration from October 2018 to April 2021. He served as a director, the chairman of the board, and a member and the secretary of the Party committee of the Parent Company from April 2021 to May 2025.

Mr. Li Yongbing, aged 55, was appointed as the general manager of the Company on 30 June 2025 and was appointed as an executive director of the Company on 28 August 2025. Mr. Li graduated from the School of Law of Wuhan University majoring in economic law, holds the lawyer's professional qualification, and possesses an MBA degree from Wuhan University. From July 1992 to January 2005, Mr. Li successively served at Civil Aviation Administration of Hubei Province and Wuhan Tianhe Airport; from January 2005 to November 2013, he successively served as assistant to the general manager of the airport department, general manager of the general manager office, general manager of the corporate management department, general manager of the operation management department, general manager of the planning and development department, general manager of the strategic development department, director of the office, and general manager of the human resources department of the Parent Company; from November 2013 to July 2018, he successively served as deputy chief commander and member of the Party committee, deputy secretary of the Party committee, secretary of the Discipline Inspection Commission, and chairman of the labor union of the Command Center of Beijing New Airport Construction Headquarters; from July 2018 to December 2018, he served as deputy secretary of the Party committee and secretary of the Discipline Inspection Commission of the Command Center of Beijing New Airport Construction Headquarters, and deputy secretary of the Party committee and secretary of the Discipline Inspection Commission of Beijing New Airport Management Center; from December 2018 to August 2019, he served as secretary of the Party committee and deputy chief commander of the Command Center of Beijing New Airport Construction Headquarters; from August 2019 to May 2020, he served as secretary of the Party committee and deputy chief commander of the Command Center of Beijing New Airport Construction Headquarters, and secretary of the Party committee and deputy general manager of Beijing Daxing International Airport; from May 2020 to June 2025, he served as secretary of the Party committee and deputy general manager of Beijing Daxing International Airport; since April 2025, he has been a member of the Party committee of the Parent Company.

REPORT OF THE BOARD (CONTINUED)

Mr. Han Zhiliang, aged 61, a senior economist, was re-appointed as an executive director of the Company on 20 June 2023, and resigned as an executive director of the Company on 28 August 2025. Mr. Han 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 and an Executive Master of Business Administration (majoring in aviation management) from Tsinghua University. From July 1986 to December 2003, Mr. Han served at 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; from March 2004 to February 2006, he served as the vice general manager and a member of the Party committee of Inner Mongolia Airport Group Company Limited; from February 2006 to July 2009, he successively served as a director, the general manager and deputy Party secretary of Inner Mongolia Airport Group Company Limited, and subsequently as the general manager and deputy Party secretary of the same company; 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 Holdings Company (from June 2014 to April 2015, he concurrently held such positions). He served as the vice general manager and a member of the Party committee of the Parent Company from June 2014 to February 2025; he concurrently served as the general manager and deputy secretary of the Party committee of the Company from March 2016 to February 2025.

Non-executive Directors

Mr. Du Qiang, aged 56, a senior economist, was appointed as a non-executive director of the Company on 20 June 2023. 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. From July 1991 to March 2004, Mr. Du served at the Inner Mongolia Bureau of CAAC; from March 2004 to January 2009, he served as vice general manager and a member of the party committee of Inner Mongolia Airports Group Company; from January 2009 to July 2011, he 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 Beijing Capital Airport Aviation Security Co., Ltd.; from April 2015 to November 2021, he served as the deputy general manager and a member of Party committee of the Company; from November 2021 to May 2025, he served as the deputy general manager and a member of the Party committee of the Parent Company; since May 2025, he has served as a director, the general manager and the deputy secretary of the Party committee of the Parent Company.

REPORT OF THE BOARD (CONTINUED)

Mr. Xue Rongguo, aged 55, was appointed as a non-executive director of the Company on 28 August 2025. Mr. Xue graduated from Renmin University of China with a bachelor's degree in law. From July 1992, Mr. Xue successively served at Beijing Capital International Airport Public Security Sub-bureau and the Public Security Bureau of CAAC, and successively served as director of the office (the Aviation Security Regulations and Standards Division) and director of the Aviation Security Regulations and Standards Division of the Public Security Bureau of CAAC; from November 2011, he successively served as a political commissar of the Air Marshal Corps concurrently serving as director of the political department of the Public Security Bureau of CAAC (political department of the Air Marshal Corps), deputy secretary of the Party committee and secretary of the Discipline Inspection Commission of the Public Security Bureau of CAAC, and head of the Air Marshal Corps concurrently serving as director of the political department of the Public Security Bureau of CAAC (political department of the Air Marshal Corps) and first-level inspector; since August 2024, he has served as a member and the deputy secretary of the Party committee of the Parent Company.

Mr. Shen Lancheng, aged 54, a senior accountant, certified public accountant, and CPA Australia, was appointed as a non-executive director of the Company on 28 August 2025. Mr. Shen graduated from Northeastern University majoring in management science and engineering with a doctoral degree in management, and holds a master's degree in international accounting from Deakin University and a master's degree in business administration from Tsinghua University. From July 1993 to February 2003, Mr. Shen successively served at Beijing Capital International Airport and Beijing Bowei Airport Support Co., Ltd.; from February 2003 to February 2005, he successively served as head and assistant to the general manager of the investment management department, and assistant to the general manager of the planning and development department of the Parent Company; from February 2005 to January 2006, he served as the chief financial officer of Chongqing Airport Group Co., Ltd.; from January 2006 to July 2016, he successively served as general manager of the legal affairs and audit department, general manager of the audit and supervision department, and general manager of the operation management department of the Parent Company; from July 2016 to December 2019, he served as the chief financial officer and a member of the Party committee of the Company; from December 2019 to March 2025, he served as the chief accountant of the Parent Company; since March 2025, he has served as the chief accountant and a member of the Party committee of the Parent Company. Mr. Shen has also served concurrently as the chairman of Beijing Capital Airport Group Finance Co., Ltd. since April 2020.

REPORT OF THE BOARD (CONTINUED)

Mr. Jia Jianqing, aged 61, is a senior accountant and was re-appointed as a non-executive director of the Company on 20 June 2023, and resigned as a non-executive director of the Company on 28 August 2025. Mr. Jia graduated from Inner Mongolia School of Finance majoring in supply finance. He holds a master's degree in management science and agricultural marketing in professional engineering from Chinese Academy of Agricultural Sciences. From October 1992 to December 2003, Mr. Jia successively served as the head of finance department, head of planning department and deputy director of the Inner Mongolia Branch of CAAC; from December 2003 to October 2004, he successively served as the deputy general manager and a member of Standing Committee of the Communist Party Committee, and the executive deputy general manager and a member of Standing Committee of the Communist Party Committee of Inner Mongolia Autonomous Region Civil Airports Group Co., Ltd.; from October 2004 to October 2005, he successively served as the deputy general manager and a member of the Communist Party Committee of Jinfei Civil Aviation Economic Development Company; from October 2005 to January 2006, he served as the deputy general manager and a member of the Communist Party Committee of Capital Airport Guarantee Co., Ltd.; from January 2006 to January 2009, he served as the director, chief financial officer and a member of the Communist Party Committee of China Airport Construction Corporation; from January 2009 to March 2010, he served as the general manager and deputy secretary of the Communist Party Committee of China Civil Aviation Xin'gang Guarantee Co., Ltd.; from March 2010 to May 2015, he served as the chairman, general manager and deputy secretary of the Communist Party Committee of China Civil Aviation Xin'gang Guarantee Co., Ltd.; from May 2015 to January 2019, he served as the chief accountant of the Parent Company; from January 2019 to February 2025, he served as the deputy general manager and a member of the Communist Party Committee of the Parent Company. From March 2016 to April 2020, Mr. Jia concurrently served as the chairman of Beijing Capital Airport Group Finance Co., Ltd.

Employee Director

Mr. Liu Jiliang, aged 58, a senior political work specialist, was elected as an employee director of the Company on 16 September 2025. Mr. Liu graduated from the People's Public Security University of China majoring in public security management, obtained a bachelor's degree in law, and holds the lawyers' professional qualification. From July 1991, Mr. Liu successively served at Beijing Capital International Airport Public Security Sub-bureau, the Public Security Bureau of CAAC, and CAAC; from September 2008 to July 2012, he successively served as the director of the Secretariat under the General Office of CAAC and the director of the Secretariat under the Department of General Affairs of CAAC; from July 2012 to April 2015, he served as the Party secretary and deputy general manager of Beijing Capital Airport Food Management Co., Ltd.; from April 2015 to April 2018, he served as the Party secretary and deputy general manager of Beijing Capital Airport Aviation Security Co., Ltd.; from April 2018 to November 2021, he served as the director and chairman of Beijing Aviation Ground Services Co., Ltd.; from February 2019 to August 2022, he served as the director and chairman of Beijing CAH SATS Aviation Services Co., Ltd.; since September 2021, he has been the deputy secretary of the Party committee and the secretary of the Discipline Inspection Commission of the Company; since December 2021, he has also served as the chairman of the Labour Union of the Company. Mr. Liu previously served as a supervisor of the Company from December 2021 to August 2025.

REPORT OF THE BOARD (CONTINUED)

Independent Non-executive Directors

Mr. Zhang Jiali, aged 71, a senior economist, was appointed as an independent non-executive director of the Company on 28 June 2017 and was re-appointed as an independent non-executive director of the Company on 20 June 2023. Mr. Zhang graduated from Heilongjiang University majoring in English and also participated in the courses for the diploma of advanced study of modern management held by Hong Kong Professional Management Association. Mr. Zhang worked as a clerk in Research Institute of Qingdao Port Authority from February 1980 to November 1984; as a business analyst, deputy director, director, deputy general manager of Research Department of China Merchants Group Limited from November 1984 to August 1991; as a deputy general manager of Hong Kong Ming Wah Shipping Company Limited from August 1991 to March 1993; as a director and deputy manager of China Merchants International Consultancy Company from March 1993 to July 1996; as a deputy general manager of Oversea Affairs Department of China Merchants Group from August 1996 to June 1997; as a deputy general manager of Department of Planning and Statistics of China Merchants Group from June 1997 to November 1998; as a deputy head of Preparation Unit of China Merchants Group Shanghai Company from November 1998 to October 1999; as the business supervisor of Asia of the USA-based Global Insight Inc. from February 2000 to March 2005; as the project supervisor of China Merchants Holdings (International) Company Limited from April 2005 to June 2005 and as the vice president of Shanghai International Port (Group) Co., Ltd. from July 2005 to January 2014.

Mr. Stanley Hui Hon-chung, aged 75, holds a Bachelor's degree of Science from the Chinese University of Hong Kong. He was appointed as an independent non-executive director of the Company on 23 June 2020 and was re-appointed as an independent non-executive director of the Company on 20 June 2023. Mr. Hui joined Cathay Pacific in 1975 and held a range of management positions in Hong Kong and overseas. From 1990 to 1992, he served as the general manager for Planning and International Affairs of Hong Kong Dragon Airlines Limited. He was appointed as the chief representative of Swire (China) in Beijing in 1992. From 1994 to 1997, he assumed the position of chief operating officer of AHK Air Hong Kong Limited. From 1997 to 2006, he joined Hong Kong Dragon Airlines Limited as its chief executive officer. From February 2007 to July 2014, he served as the chief executive officer of Hong Kong Airport Authority. Mr. Hui was appointed as a member of the Greater Pearl River Delta Business Council twice by the Chief Executive of the HKSAR, and held civic duties including member of the Commission on Strategic Development of the HKSAR Government, member of the HKSAR Government's Aviation Development Advisory Committee, member of the Hong Kong Tourism Board and Hong Kong and Macau member for the 4th and 5th sessions of Chinese People's Political Consultative Conference in Shenzhen. In July 2006, Mr. Hui was appointed as a Justice of the Peace by the Chief Executive of the HKSAR. Mr. Hui was a member of the 12th and 13th session of Chinese People's Political Consultative Conference and the General Committee of the Hong Kong General Chamber of Commerce. Since December 2020, he has been serving as a director of Hong Kong Greater Bay Airlines Co., Ltd; since April 2021, he has been serving as an independent non-executive director of China Power International Development Limited (listed on the Hong Kong Stock Exchange, Stock Code: 2380); since July 2025, he has been serving as a non-executive director of Hans Energy Company Limited (listed on the Hong Kong Stock Exchange, Stock Code: 554). From September 2015 to October 2017, Mr. Hui was an executive director and the deputy chief executive officer of NWS Holdings Limited (now known as CTF Services Limited, listed on the Hong Kong Stock Exchange, Stock Code: 659). From May 2015 to February 2022, he served as an independent non-executive director of Air China Limited (listed on the Hong Kong Stock Exchange, Stock Code: 753). He served as an independent non-executive director of Guangzhou Baiyun International Airport Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 600004) from December 2016 to February 2023 and as a director of Hong Kong Citybus and New World First Bus from December 2020 to August 2023.

REPORT OF THE BOARD (CONTINUED)

Mr. Wang Huacheng, aged 63, holds a doctorate and is a professor of the Department of Finance of the Business School of Renmin University of China. He was appointed as an independent non-executive director of the Company on 24 August 2022 and was re-appointed as an independent non-executive director of the Company on 20 June 2023. Mr. Wang successively served as a teaching assistant, lecturer, associate professor and professor of the Department of Accounting of Renmin University of China from July 1988 to May 2001; and he has served as a professor of the Business School of Renmin University of China since June 2001. Currently, Mr. Wang also serves as an independent director of Wanhua Chemical Group Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 600309) and China CITIC Bank Corporation Limited (listed on the Hong Kong Stock Exchange (Stock Code: 00998) and listed on the Shanghai Stock Exchange (Stock Code: 601998)). He previously served as a deputy director of the Department of Accounting and a deputy dean of the Business School of Renmin University of China, an independent director or an external director of various companies, such as Huatai Securities Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 601688), E Fund, China Railway Construction Corporation Limited (listed on the Hong Kong Stock Exchange (Stock Code: 1186) and listed on the Shanghai Stock Exchange (Stock Code: 601186)), BOE Technology Group Co., Ltd. (listed on the Shenzhen Stock Exchange, Stock Codes: 000725 and 200725), Huaxia Bank Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 600015), China Great Wall Securities Co., Ltd. (listed on the Shenzhen Stock Exchange, Stock Code: 002939), Tsinghua Tongfang Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 600100), Sinotrans & CSC Holdings Co. Ltd. and China Salt Group Corporation Limited. Mr. Wang graduated from Renmin University of China with a Ph.D. in management, majoring in accounting. He has abundant research achievements and extensive experience in financial and accounting fields.

Ms. Duan Donghui, aged 55, was appointed as an independent non-executive director of the Company on 20 June 2023. Ms. Duan holds a doctorate of the School of Law of Wuhan University. She is now a partner of Gao Lin Capital Management Co., Ltd. and concurrently an arbitrator of the China International Economic and Trade Arbitration Commission, an arbitrator of the Beijing Arbitration Commission/Beijing International Arbitration Center and a member of China Society of Private International Law. Ms. Duan had served as a senior economist of the headquarter office of China Construction Bank Corporation, associate professor and master's tutor at China University of Political Science and Law, and also served as a member of the Letter of Credit Expert Panel and Letter of Guarantee Expert Panel of the International Chamber of Commerce China National Committee (ICCCCHINA). Ms. Duan successively served as the director of the board office of Taikang Life Insurance Co., Ltd. from June 2005 to May 2013, secretary of the board of directors of Taikang Asset Management Co., Ltd. from June 2006 to July 2020, secretary of the board of directors of Taikang Pension Insurance Co., Ltd. from June 2007 to July 2020, an independent director of Genimous Technology Co., Ltd. (listed on the Shenzhen Stock Exchange, Stock Code: 000676) from February 2015 to February 2021, an independent director of Bode Energy Equipment Co., Ltd. of Xi'an from May 2020 to January 2022 and an independent director of Top Resource Conservation & Environment Corp. (listed on the Shenzhen Stock Exchange, Stock Code: 300332) from April 2020 to April 2023. Ms. Duan had served as a senior visiting scholar engaging in legal research at International Institute for the Unification of Private Law (UNIDROIT) in Rome, Italy and accredited with the title of "2001 National Young Professionals Engaging in Financial System".

REPORT OF THE BOARD (CONTINUED)

Other Senior Management

Mr. Deng Xianshan, aged 60, graduated from the Department of History of Xiangtan University and School of Marxism of Beijing Normal University, and was awarded an EMBA from Cheung Kong Graduate School of Business. He was re-appointed as a deputy general manager of the Company on 20 June 2023, and resigned as a deputy general manager of the Company on 31 December 2025 (which took effect from 1 January 2026). Mr. Deng joined Beijing Capital International Airport in January 1995. From November 1999 to November 2000, he served as the manager of the Administrative Management Division of the Company; from December 2001 to January 2009, he served as the general manager, the deputy party secretary and the director of Beijing Airport Inflight Kitchen Ltd.; from January 2009 to March 2012, he served as the deputy general manager and the deputy party secretary of Jiangxi Airports Group Company; from March 2012 to October 2018, he served as the deputy party secretary and the secretary of the Discipline Inspection Commission of the Company; from June 2012 to December 2018, he served as the chairman of the Labour Union of the Company; from November 2018 to September 2020, he served as the deputy general manager and a member of Party committee of the Company; from September 2020 to September 2022, he served as a member of the Party committee of the Company; from September 2022 to December 2025, he served as the deputy general manager and a member of the Party committee of the Company. Mr. Deng served as a supervisor of the Company from June 2012 to November 2018.

Ms. Li Chun, aged 52, is a senior economist and corporate legal adviser. She was re-appointed as a deputy general manager of the Company on 20 June 2023. Ms. Li graduated from the Department of Law of Peking University, majoring in Economic Law/Law. She attended an on-the job Master's degree programme in aviation management (airport management) jointly organised by Tsinghua University and École Nationale de l'Aviation Civil from November 2016 to October 2018 and obtained a Master's degree. From October 1996 to October 1997, Ms. Li worked at Beijing Metals & Minerals Import & Export Corporation. She joined Beijing Capital International Airport in October 1997. From July 2004 to March 2009, she successively served as an assistant to the manager of the Planning and Development Division, an assistant to the manager of the Quality and Safety Division, an assistant to the manager of the Aviation Business Division, the manager of the Technical Procurement Division, and the manager of the Quality and Safety Division of the Company; from March 2009 to March 2016, she served as the general manager of the Legal Affairs Department of the Parent Company; from March 2016 to October 2016, she served as the general manager and the deputy party secretary of Capital Airports Group Asset Management Co., Ltd.; from October 2016 to June 2018, she served as the general manager, the deputy party secretary and the executive director of Capital Airports Group Asset Management Co., Ltd.; from June 2018 to September 2022, she served as the general manager, the deputy party secretary and the executive director of Capital Airports Group Asset Management Co., Ltd. (asset management center); since September 2022, she has been the deputy general manager and a member of the Party committee of the Company.

REPORT OF THE BOARD (CONTINUED)

Mr. Li Zhiyong, aged 52, a senior accountant, was re-appointed as the Chief Financial Officer of the Company on 20 June 2023. Mr. Li graduated from the Management School of Wuhan University of Science and Technology, majoring in project management, and holds a master's degree in engineering. From December 1997 to February 2006, Mr. Li successively worked at Wuhan Tianhe Airport Co., Ltd. and Hubei Airports Holding Company; from March 2006 to May 2009, he served as the chief financial officer of Inner Mongolia Autonomous Region Civil Airports Group Co., Ltd.; from May 2009 to December 2010, he served as the vice general manager of the financial management department of the Parent Company; from December 2010 to February 2013, he served as the chief financial officer and a member of the Communist Party Committee of the Beijing New Airport Construction Headquarters, and concurrently served as the deputy general manager of the financial management department of the Parent Company; from February 2013 to May 2020, he served as the chief financial officer and a member of the Communist Party Committee of the Beijing New Airport Construction Headquarters; from July 2018 to May 2020, he served as the chief financial officer and a member of the Communist Party Committee of Beijing Daxing International Airport; since May 2020, he has been the chief financial officer and a member of the Party committee of the Company.

Ms. Zhao Ying, aged 51, was re-appointed as the deputy general manager of the Company on 20 June 2023. Ms. Zhao is a senior engineer and political work specialist. She graduated from Beijing Union University with a major in Radio Technology of the School of Electronic Engineering. Ms. Zhao joined Beijing Capital International Airport in July 1997 and worked at the expansion project headquarters of Beijing Capital International Airport; she joined the Company in October 1999; from May 2005 to May 2011, she successively served as an assistant to the director of working group of the party, deputy secretary and deputy manager, party secretary, secretary of discipline committee, and deputy general manager of the public area management department of the Company; from May 2011 to September 2018, she successively served as the manager and deputy party secretary of the terminal building west area management department, the deputy head (presiding over work) and the head of working group of the party, the deputy general manager (department general manager level), general manager and deputy party secretary at the operation control center of the Company; since September 2018, she has been the deputy general manager and a member of the Party committee of the Company.

REPORT OF THE BOARD (CONTINUED)

Ms. Li Bo, aged 47, a senior economist and tenderer, was appointed as the secretary to the Board of the Company on 27 September 2023. Ms. Li graduated from Civil Aviation University of China (formerly known as Civil Aviation College of China) majoring in business administration, and holds a master's degree in business administration majoring in business administration of Guanghua School of Management of Peking University with ample experience in aspects such as business operation, international affairs, terminal management, procurement management and airport operation. Ms. Li joined the Company in August 2001; from November 2007 to August 2009, she worked at the Overseas Affairs Department of the Parent Company; from September 2009 to May 2012, she worked as a deputy manager of the Operation Monitoring & Command Center/Operation Control Center of the Company; from May 2012 to March 2014, she served as a deputy manager of the Technical Procurement Department of the Company; from March 2014 to June 2015, she successively served as an assistant to the general manager and a deputy general manager of the Terminal Management Department of the Company; from June 2015 to November 2016, she served as a general manager of the International Affairs Department of the Company; since November 2016, she has been the general manager of the Commercial Development Department of the Company; since September 2023, she has been the secretary to the Board of the Company; since December 2023, she has been a joint company secretary of the Company.

Joint Company Secretaries

The profile of the joint company secretary of the Company, Ms. Li Bo, is set out in the section headed "Other Senior Management".

Ms. Liu Jiong was appointed as a joint company secretary of the Company on 28 December 2023. Ms. Liu is a solicitor as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong) and is currently an of counsel of corporate team of Eversheds Sutherland, a global multi-national law practice. Ms. Liu is a solicitor practicing in Hong Kong, and has extensive experience in handling equity capital market and general corporate matters. In particular, she is proficient in advising clients on initial public offerings ("IPO") in Hong Kong, post-IPO compliance issues, and mergers and acquisitions.

Save as disclosed in the paragraph headed "Directors and Senior Management" in this Report of the Board, after the latest interim report published by the Company and up to the date of this annual report, there were no changes in the information of the directors or general manager which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The details of emoluments of directors, chief executive and supervisors of the Company are set out in Note 10 to the Financial Statements. During the year ended 31 December 2025, the Company paid the annual emoluments of the above senior management (including those who also serve as directors), among which 1 member was paid in an amount less than HKD1,000,000 (equivalent to approximately RMB922,000), and 6 members were each paid in an amount between HKD1,000,001 and HKD1,500,000 (equivalent to approximately RMB1,383,000).

By order of the Board
Song Kun
 Chairman

Beijing, the PRC, 26 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2025, the Company operated under overall pressure, but losses for the year continued to narrow and operating conditions gradually improved. As for revenues, the revenues of the main business were RMB5,631,751,000, representing an increase of approximately 2.5% as compared with the previous year. In particular, the civil aviation industry demonstrated an overall stable yet progressive development pattern with steady improvement. The aviation business volume of Beijing Capital Airport has resumed steady growth. The aeronautical revenues amounted to RMB2,770,358,000, representing an increase of approximately 3.8% as compared with the previous year. Regarding the non-aeronautical business, benefiting from the gradual recovery of both passenger throughput and commercial resources, the non-aeronautical revenues amounted to RMB2,861,393,000, representing an increase of approximately 1.3% as compared with the previous year. As for costs, as the Company continued to promote cost reduction measures, the operating expenses of the Company in 2025 were RMB5,784,482,000, representing a decrease of approximately 1.2% as compared with the previous year.

OVERVIEW OF AERONAUTICAL BUSINESS

In 2025, by virtue of the continuous relaxation of travel restrictions and the continued strong demand for passenger travel, the air traffic volumes of international routes and Hong Kong, Macau and Taiwan regional routes of Beijing Capital Airport have grown steadily as compared with the previous year, while the domestic (excluding Hong Kong, Macau and Taiwan regions) aviation market saw a modest adjustment in demand. Overall, the cumulative aircraft movements at Beijing Capital Airport reached 442,046 sorties, representing an increase of approximately 2.0% as compared with the previous year. The cumulative passenger throughput reached 70,742,712 person-times, representing an increase of approximately 5.0% as compared with the previous year. The cumulative cargo and mail throughput reached 1,550,926 tonnes, representing an increase of approximately 7.5% as compared with the previous year. Detailed information is set out in the table below:

	2025	2024	Change
Aircraft Movements (<i>unit: sorties</i>)	442,046	433,572	2.0%
Domestic	360,815	363,055	-0.6%
Including: Hong Kong, Macau & Taiwan	16,855	14,995	12.4%
International	81,231	70,517	15.2%
Passenger Throughput (<i>unit: person-times</i>)	70,742,712	67,367,428	5.0%
Domestic	56,084,337	54,818,287	2.3%
Including: Hong Kong, Macau & Taiwan	2,613,314	2,302,148	13.5%
International	14,658,375	12,549,141	16.8%
Cargo and Mail Throughput (<i>unit: tonnes</i>)	1,550,926 (Note)	1,443,286	7.5%
Domestic	838,767 (Note)	787,182	6.6%
Including: Hong Kong, Macau & Taiwan	83,625	79,069	5.8%
International	712,160 (Note)	656,104	8.5%

Note: Due to rounding, there may be slight discrepancies between the total amount and the sum of the individual figures. These are normal rounding differences resulting from calculation process and will not affect the overall accuracy of the figures.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

AERONAUTICAL REVENUES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Aircraft movement fees and related income	1,404,149	1,395,441	0.6%
Passenger services income	1,366,209	1,272,221	7.4%
Total aeronautical revenues	2,770,358	2,667,662	3.8%

In 2025, the total aeronautical revenues of the Company were RMB2,770,358,000, representing an increase of approximately 3.8% as compared with the previous year. In particular, revenues from aircraft movement fees and related income were RMB1,404,149,000, representing an increase of approximately 0.6% as compared with the previous year, which was mainly attributable to the relatively small changes in demand from the domestic aviation market, which constituted a more significant proportion of the business, coupled with a higher proportion of smaller aircraft with relatively lower fee levels, causing the growth in aircraft movement fees and related income to lag slightly behind the increase in aircraft movements at Beijing Capital Airport during the current period. Revenues from passenger services were RMB1,366,209,000, representing an increase of approximately 7.4% as compared with the previous year, which was mainly attributable to the higher growth in international passenger throughput along with the further recovery of international routes, and the passenger services income of international flights was relatively higher than that of domestic flights, resulting in a higher growth in passenger services income than that in passenger throughput.

NON-AERONAUTICAL REVENUES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Change
Concession revenues	1,510,790	1,569,928	-3.8%
Including: Advertising	674,300	702,418	-4.0%
Retailing	542,161	511,714	6.0%
Restaurants and food shops	124,395	173,485	-28.3%
VIP services	77,044	82,061	-6.1%
Car parking services	65,824	71,388	-7.8%
Other concessions	27,066	28,862	-6.2%
Rental income	1,078,867	979,803	10.1%
Resources usage income	203,978	213,468	-4.4%
Others	67,758	61,344	10.5%
Non-aeronautical revenues	2,861,393	2,824,543	1.3%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In 2025, the non-aeronautical revenues of the Company were RMB2,861,393,000, representing an increase of approximately 1.3% as compared with the previous year. In 2025, the concession revenues of the Company were RMB1,510,790,000, representing a decrease of approximately 3.8% as compared with the previous year. Among these, the revenues from advertising were RMB674,300,000, representing a decrease of approximately 4.0% as compared with the previous year, which was mainly due to the adjustment of the advertising contract settlement model and a fall in high-value media tender, leading to a corresponding decline in advertising revenue. The revenues from retailing were RMB542,161,000, representing an increase of approximately 6.0% as compared with the previous year, which was mainly due to the increase in international passenger throughput, resulting in an increase in revenues from retailing. The revenues from restaurants and food shops were RMB124,395,000, representing a decrease of approximately 28.3% as compared with the previous year, which was mainly attributable to the transfer of part of the concession revenue to rental income as a result of the optimisation of contracts with operators of the restaurants and food shops business. Due to the growth in business volume, the actual revenues received from restaurant and food shop clients showed a significant increase in 2025 as compared with the previous year. The revenues from VIP services amounted to RMB77,044,000, representing a decrease of approximately 6.1% as compared with the previous year, which was also attributable to the transfer of part of the concession revenue to rental income as a result of the optimisation of contracts under the VIP business. The actual revenues received from VIP clients increased as compared with the previous year. The concession revenues from car parking services were RMB65,824,000, representing a decrease of approximately 7.8% as compared with the previous year, which was mainly due to shorter vehicle parking durations, resulting in a corresponding decline in revenues from car parking services. The revenues from other concessions were RMB27,066,000, representing a decrease of approximately 6.2% as compared with the previous year, which was also attributable to the transfer of part of the revenue to rental income as a result of the optimisation of the business contracts with telecom operators.

In 2025, the rental income of the Company was RMB1,078,867,000, representing an increase of approximately 10.1% as compared with the previous year, which mainly benefited from an increase in departure system revenues, as well as the increase in commercial rental income as a result of the optimisation of certain contracts under the restaurant and food shop business, VIP service business and other concession business.

In 2025, the resources usage income of the Company was RMB203,978,000, representing a decrease of approximately 4.4% as compared with the previous year, which was mainly due to the corresponding changes in revenue structure arising from the adjustments to service models upon the expiry of certain business contracts, resulting in a decrease in resources usage income.

In 2025, other revenues of the Company were RMB67,758,000, representing an increase of approximately 10.5% as compared with the previous year, which was mainly due to the new undertaking of relevant services of Beijing City government departments, resulting in a corresponding increase in other revenues.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OPERATING EXPENSES

	2025 RMB'000	2024 RMB'000	Change
Depreciation and amortisation	1,554,199	1,509,409	3.0%
Repair and maintenance	947,114	991,013	-4.4%
Aviation safety and security guard costs	835,350	875,853	-4.6%
Staff costs	599,315	560,615	6.9%
Utilities and power	519,809	528,511	-1.6%
Operating contracted services	437,186	457,718	-4.5%
Concession management fees	273,337	274,815	-0.5%
Real estate tax and other taxes	259,601	243,506	6.6%
Greening and environmental maintenance	201,024	220,474	-8.8%
General, administrative and other costs	157,547	194,842	-19.1%
Operating expenses	5,784,482	5,856,756	-1.2%

In 2025, the operating expenses of the Company were RMB5,784,482,000, representing a decrease of approximately 1.2% as compared with the previous year.

In 2025, the depreciation and amortisation expenses of the Company were RMB1,554,199,000, representing an increase of approximately 3.0% as compared with the previous year. This was mainly due to the increase in depreciation expenses for the current year as a result of the addition of assets for the western runway overhaul project and the impact of prior years' construction in progress being transferred to fixed assets.

In 2025, the repair and maintenance expenses of the Company were RMB947,114,000, representing a decrease of approximately 4.4% as compared with the previous year, which was mainly due to enhanced cost control by the Company, leading to a decrease in the costs of vehicle and system maintenance.

In 2025, the aviation safety and security guard costs of the Company were RMB835,350,000, representing a decrease of approximately 4.6% as compared with the previous year, which was mainly attributable to the Company's advancement of technological and management innovations, which enabled position optimization and labor cost savings, resulting in a decrease in aviation safety and security related fees.

In 2025, the staff costs of the Company were RMB599,315,000, representing an increase of approximately 6.9% as compared with the previous year. This was primarily due to the Company's adjustments to its pension scheme liabilities as affected by the national deferred retirement policy in 2024, resulting in a decrease in staff costs for the corresponding period in 2024. Consequently, the staff costs for the current year were higher than those of the previous year.

In 2025, the utilities and power expenses of the Company were RMB519,809,000, representing a decrease of approximately 1.6% as compared with the previous year, which was mainly because the Company adopted energy-saving and consumption reduction initiatives to lower electricity costs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In 2025, the operating contracted services costs of the Company were RMB437,186,000, representing a decrease of approximately 4.5% as compared with the previous year, which was mainly due to the Company's implementation of cost-saving and efficiency-enhancing measures, including optimizing the outsourcing model for operation and maintenance services and consolidating service provider resources, resulting in a decrease in operating contracted services costs.

In 2025, the real estate and other taxes of the Company were RMB259,601,000, representing an increase of approximately 6.6% as compared with the previous year, which was mainly due to the increase in rental income, which resulted in a corresponding increase in property tax.

In 2025, the greening and environmental maintenance costs of the Company were RMB201,024,000, representing a decrease of approximately 8.8% as compared with the previous year, mainly benefiting from the Company's strict cost control and enhanced operational efficiency, leading to a decrease in the greening and environmental maintenance costs.

In 2025, the general, administrative and other costs of the Company were RMB157,547,000, representing a decrease of approximately 19.1% as compared with the previous year, which was mainly due to the budget cut and further implementation of cost reduction measures by the Company, resulting in a decrease in related costs such as professional services and consulting fees.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

In 2025, the other income of the Company was RMB1,451,000, representing a decrease of approximately 72.1% as compared with the previous year. This was primarily due to the receipt of relevant incentive funds from government departments in 2024, resulting in a higher base figure for the previous year.

In 2025, the net financial costs of the Company after deduction of the financial income were RMB264,462,000, as compared to the net financial costs of RMB278,580,000 in 2024. This was primarily due to lower average financing cost during the current year, resulting in a decrease in interest expenses.

In 2025, the deferred income tax expenses of the Company were RMB120,938,000, which were mainly attributable to the decrease in the amount of reversal of deductible tax losses for the current year as compared with the previous year, resulting in a decrease in deferred income tax expenses recognized in the current year.

LOSS FOR THE YEAR

For the financial year ended 31 December 2025, the net loss for the year of the Company amounted to RMB630,037,000, representing a decrease in loss of approximately 54.7% as compared with the net loss for the previous year of the Company.

DIVIDEND

The Board did not recommend distribution of any final dividend for the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

As at 31 December 2025, the assets and liabilities of the Company denominated in US dollars included cash and cash equivalents (and other receivables) of approximately RMB15,826,000 (2024: RMB16,977,000), and trade and other payables of approximately RMB9,026,000 (2024: RMB9,231,000).

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

As at 31 December 2025, the principal amount of the Company's short-term borrowings was RMB7,223,611,000 and the total principal amounts of its long-term borrowings were RMB1,992,827,000. The interest rates of the above borrowings were referenced to the benchmark interest rates of the National Interbank Funding Centre of China (only for borrowings at floating rate).

CONTINGENT LIABILITIES

As at 31 December 2025, the Company had no significant contingent liabilities.

LIQUIDITY AND FINANCIAL RESOURCES

In 2025, the Company's net cash generated from operating activities amounted to RMB1,606,950,000, representing an increase of RMB1,509,348,000 as compared with RMB97,602,000 in 2024. In 2025, the Company's net cash used in investing activities amounted to RMB531,927,000. In 2025, the Company's net cash used in financing activities amounted to RMB650,552,000.

As at 31 December 2025, the Company had cash and cash equivalents amounting to RMB1,851,806,000, while the cash and cash equivalents of the Company amounted to RMB1,427,698,000 as at 31 December 2024.

As at 31 December 2025, the principal amount of the Company's short-term and long-term borrowings was RMB9,216,438,000 and the principal amount of the bonds payable due within one year was RMB1,500,000,000.

As at 31 December 2025, the current ratio of the Company was 0.22, while the current ratio of the Company was 0.23 as at 31 December 2024. 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 2025, the gearing ratio of the Company was 57.16%, while the gearing ratio of the Company was 56.13% as at 31 December 2024. 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 2025, the capital and reserves of the Company were RMB12,858,193,000, while the capital and reserves of the Company were RMB13,455,878,000 as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

EMPLOYEES AND EMPLOYEE WELFARE

- 1. The number of employees of the Company as at 31 December 2025 is set out as follows, together with a comparison with that in the previous year:**

	2025	2024
Total number of employees	1,496	1,516

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

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

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

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

- 3. Staff retirement scheme**

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CHARGE ON ASSETS

As at 31 December 2025, there was no charge or pledge on the assets of the Company.

MERGER, ACQUISITION AND DISPOSAL

During the year ended 31 December 2025, the Company did not conduct any material merger, acquisition or disposal.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2025, there were no significant investments held by the Company (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2025).

FUTURE PLANS FOR MATERIAL INVESTMENTS, CAPITAL ASSETS AND SIGNIFICANT FINANCING

At an extraordinary general meeting held on 28 August 2025, the shareholders of the Company approved a financing plan, in relation to, among others, the proposed registration and issuance of medium-term notes of not more than RMB4 billion and short-term debentures of not more than RMB4 billion in the National Association of Financial Market Institutional Investors ("NAFMII") by the Company. On 17 March 2026, the Company had made a formal application (the "Application") to NAFMII for the registration and issuance of medium-term notes and short-term debentures. As at the date of this report, it is uncertain whether and when the approval for the Application will be granted. For details of the registration and proposed issuance of medium-term notes and short-term debentures, please refer to the circular of the Company dated 11 August 2025 and the announcement of the Company dated 17 March 2026.

Save as disclosed above, for the year ended 31 December 2025, the Company did not have any other plan in relation to material investments, capital assets or significant financing.

CORPORATE GOVERNANCE REPORT

The Company is well aware that sound corporate governance is an important prerequisite for sustainable development, continuous enhancement of the Company's values and safeguarding shareholders' rights and interests. During the year ended 31 December 2025 (the "Reporting Period"), the Company remained adhering to a good and prudent governance style and continuously improved its corporate governance level to achieve efficient management and standardized operation.

The Board of the Company confirmed that the Company has applied the principles and complied with all the code provisions under Part 2 of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Reporting Period, save for the deviation from code provision C.1.5 of the CG Code due to reasonable grounds (as explained below).

Pursuant to code provision C.1.5 of the CG Code, generally speaking, independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. In respect of the deviation from such code provision:

- (i) The Company held its 2024 annual general meeting on 27 June 2025. Mr. Du Qiang, Mr. Wang Changyi and Mr. Jia Jianqing, being non-executive directors of the Company, were absent from the annual general meeting due to other business commitments.
- (ii) The Company held an extraordinary general meeting on 28 August 2025. Mr. Wang Changyi and Mr. Jia Jianqing, being non-executive directors of the Company, were absent from the extraordinary general meeting due to other business commitments.
- (iii) The Company held an extraordinary general meeting on 23 December 2025. Mr. Stanley Hui Hon-chung, being an independent non-executive director of the Company, was absent from the extraordinary general meeting due to other business commitments.

All resolutions considered at the above general meetings were successfully passed. After the conclusion of each of such general meetings, the Company dispatched the relevant meeting minutes to all members of the Board to keep the absent directors informed of the resolutions passed during such general meetings.

CORPORATE GOVERNANCE CULTURE

The Company is committed to shouldering responsibility for "a cause to link sky and earth, a gateway to great China" and adhering to its vision, mission and core values with people-oriented approach. The Company works with its partners to provide passengers with safe, convenient, smooth and quality services, while taking into account the demands from stakeholders and supporting national strategies and local development. The Company will also insist on sustaining its mission, creating values and striving to realize the Company's long-term sustainable development. The Board considers that the Company's corporate governance culture is aligned with the purposes, values and strategy established by the Company and is expected to continually reinforce the values of acting lawfully, ethically and responsibly.

Further details of the corporate culture of the Company are set out in the ESG Report of the Company for the year ended 31 December 2025 and the "About Us" section of the website of the Company.

CORPORATE GOVERNANCE PRACTICES

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

- (a) to formulate and review the corporate governance policies and practices of the Company and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices in relation to compliance with laws and regulatory requirements;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (d) to formulate, review and monitor the code of conduct and compliance manual (if any) for employees and directors; and
- (e) to review the compliance of the Company with the CG Code and relevant disclosure in the Corporate Governance Report.

termination of their term of office, the term of office of all directors (including non-executive directors) will end on the date of convening of the 2025 annual general meeting. The composition and changes of directors, the list of directors and their respective biographies are set out in the section headed "Report of the Board" in this annual report.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Code for Securities Transactions by Directors and Staff" (the "Code") to regulate the securities transactions by its directors and staff. The standard of the Code is no less exacting than the required standard of the Model Code.

Having made specific enquiry on all directors, the Company has confirmed that each of its directors has complied with the Model Code and the required standard set out in the Code formulated by the Company throughout the year ended 31 December 2025.

BOARD OF DIRECTORS

Composition and Term of Office

During the Reporting Period, the ninth session of the Board of the Company consists of ten directors, including two executive directors, three non-executive directors, one employee director and four independent non-executive directors. In line with the requirements under 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 appropriate expertise in accounting or related financial management.

The ninth session of the Board of the Company was established on 20 June 2023. Except for three directors who were added at the extraordinary general meeting on 28 August 2025 and one director who was added at the staff representative congress on 16 September 2025, the remaining directors were elected by the shareholders of the Company at the 2022 annual general meeting; except for three directors who resigned on 28 August 2025 resulting in the

The members of the Board of the Company are fully aware of their own obligations and responsibilities and treat all shareholders of the Company equally without discrimination. In order to make sure that the interests of all investors are protected properly, the Company ensures that the members of the Board are provided with the documents and materials in connection with the Company's business in a timely manner, and also ensures that external independent professional advice, including those from external legal advisers and auditors, is available to the Board in a timely manner in strict compliance with the requirements of the Articles of Association of the Company, where necessary. The independent non-executive directors have performed their responsibilities in accordance with the requirements under the relevant laws and regulations and attended all the meetings of the Board and its relevant committees, safeguarding the rights of the Company and its shareholders. The Board is of the view that the above mechanism was properly implemented, which effectively ensured that various independent views and opinions could be obtained by the Board. In addition, the Company has received the confirmation of independence from all independent non-executive directors pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive directors of the Company are independent in accordance with the Listing Rules.

Diversity Policy

The Company continues to promote the diversity of the Board in compliance with the CG Code and relevant provisions under the Listing Rules. In determining the Board's composition, the diversity of the Board has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The members of the Board are equipped with skills, experience and diverse background relevant to the Company's strategy, governance and operation.

CORPORATE GOVERNANCE REPORT (CONTINUED)

As of 31 December 2025, the members of the Board of the Company comprise of one female director, which accounts for 10% of the total number of members of the Board. The Company will endeavor to maintain at least one female director. At the same time, it will identify and recommend suitable candidates for female directors from the internal and external personnel of the Company with reference to the requirements of laws and regulations, shareholders' expectation, development needs of the Company and international or local recommended best practices, and it will strive to increase the gender ratio of female directors. It will also continue to optimize the pipeline of successors to the Board for attaining and making further progress on gender diversity.

Among all employees (including senior management) of the Company, there are 1,002 male staff, accounting for approximately 67.0% of the total number of staff, and 494 female staff, accounting for approximately 33.0% of the total number of staff. In addition, all employees of the Company are from various age groups with different educational backgrounds.

Details of the Board diversity policy of the Company and specific circumstances are set out in the paragraphs headed "Policy Statement" and "Monitoring and Reporting" on pages 67 to 69 of this annual report. The Company is of the view that its workforce (including senior management) achieves diversity in terms of gender ratio.

Duties and Operation

According to the Articles of Association, the Board shall be elected by the general meeting and shall be responsible for making decisions on the business development rules and investment strategies, while the general manager of the Company shall be responsible for the daily operation and internal management.

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

In accordance with the Articles of Association, the general manager shall be accountable to the Board, and shall exercise the following powers and duties: to be responsible for the production and management of the Company and to organize the implementation of the resolutions of the Board; to organize the implementation of the annual business plans and investment proposals of the Company; to prepare proposals for the internal management structure of the Company; to prepare the basic management systems of the Company; to draft the basic rules and regulations of the Company; to propose for the employment or dismissal of deputy managers and financial officers of the Company; to employ or dismiss management staff other than those who shall be employed or dismissed by the Board; other powers and duties conferred by the Articles of Association and the Board. The Company will review and actively revise the relevant delegation by the Board to the general manager from time to time, in order to ensure that the relevant functions delegated by the Board are aligned with the daily production and operation needs of the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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 to 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 2025, the Board of the Company held 16 meetings (12 of which were held by way of circulating written resolutions) in total to discuss and determine the Company's strategic development, major operations, financial affairs and other matters set out in the Articles of Association. Other than the regular Board meetings, the chairman met with the independent non-executive directors without the presence of other directors during 2025.

The table below sets out the rate of the directors' attendance (referring to attendance in person or by teleconference) at general meetings and Board meetings in 2025:

		General meetings attendance rate (Number of meetings attended/ number of meetings held)	Board meetings attendance rate (Number of meetings attended/ number of meetings held)
Song Kun (<i>Note 1</i>)	Chairman, executive director	3/3	16/16
Wang Changyi (<i>Note 2</i>)	Chairman, executive director	0/2	10/10
Li Yongbing (<i>Note 3</i>)	General manager, executive director	1/1	6/6
Han Zhiliang (<i>Note 4</i>)	General manager, executive director	1/2	10/10
Du Qiang	Non-executive director	2/3	15/16
Xue Rongguo (<i>Note 5</i>)	Non-executive director	1/1	5/6
Shen Lancheng (<i>Note 6</i>)	Non-executive director	1/1	5/6
Jia Jianqing (<i>Note 7</i>)	Non-executive director	0/2	9/10
Liu Jiliang (<i>Note 8</i>)	Employee director	1/1	5/5
Zhang Jiali	Independent non-executive director	3/3	16/16
Stanley Hui Hon-chung	Independent non-executive director	2/3	15/16
Wang Huacheng	Independent non-executive director	3/3	16/16
Duan Donghui	Independent non-executive director	3/3	16/16

CORPORATE GOVERNANCE REPORT (CONTINUED)

Note 1: Mr. Song Kun was appointed as an executive director of the Company, re-designated from a non-executive director, and elected as the chairman by the Board on 26 June 2025.

Note 2: Mr. Wang Changyi was appointed as a non-executive director of the Company, re-designated from an executive director, and ceased to be the chairman of the Board on 26 June 2025, and resigned as a non-executive director of the Company on 28 August 2025, and therefore did not attend the meetings held thereafter.

Note 3: Mr. Li Yongbing was appointed as the general manager of the Company on 30 June 2025 and appointed as an executive director of the Company on 28 August 2025, and therefore did not attend the meetings held prior to his appointment.

Note 4: Mr. Han Zhiliang resigned as the general manager of the Company on 17 February 2025 and resigned as an executive director of the Company on 28 August 2025, and therefore did not attend the meetings held thereafter.

Note 5: Mr. Xue Rongguo was appointed as a non-executive director of the Company on 28 August 2025, and therefore did not attend the meetings held prior to his appointment.

Note 6: Mr. Shen Lancheng was appointed as a non-executive director of the Company on 28 August 2025, and therefore did not attend the meetings held prior to his appointment.

Note 7: Mr. Jia Jianqing resigned as a non-executive director of the Company on 28 August 2025, and therefore did not attend the meetings held thereafter.

Note 8: Mr. Liu Jiliang was elected as the employee director of the Company on 16 September 2025, and therefore did not attend the meetings held prior to his appointment.

Chairman and General Manager

During the year ended 31 December 2025, the chairman of the Company was acted by the executive director Mr. Wang Changyi (who was appointed as a non-executive director from an executive director and ceased to be the chairman of the Board on 26 June 2025, and resigned as a non-executive director on 28 August 2025) and Mr. Song Kun (who was appointed as an executive director from a non-executive director and elected as the chairman by the Board on 26 June 2025), while the general manager was acted by the executive director Mr. Han Zhiliang (who resigned as the general manager on 17 February 2025 and

resigned as an executive director on 28 August 2025) and Mr. Li Yongbing (who was appointed as the general manager on 30 June 2025 and appointed as an executive director on 28 August 2025). 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 duties and responsibilities and expresses division of work, with each one performing his own duties.

Insurance Arrangement

According to the code provision C.1.7 of the CG Code, an issuer shall arrange appropriate insurance in respect of any legal action against its directors. The Company has arranged liability insurance for its directors and senior management.

Training

The Company provided all members of the Board with monthly updates on the Company's operation, financial conditions, prospects and relevant market and regulatory development, and arrangements have been made to provide each new director with a comprehensive, formal and tailored induction upon his/her appointment.

The Company also encouraged its directors to participate in ongoing professional development programs to improve and update their knowledge and skills. The Company also organized relevant training to ensure that directors had comprehensive information and proper expertise to make contributions to the Board. The Company kept training records to assist directors in recording the training courses they had attended and required its directors to submit relevant training records to the Company each year.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year ended 31 December 2025, the records of training received by directors of the Company are summarized as follows:

	Theme I Board and director's duties	Theme II Listing Rules and Hong Kong Compliance	Theme III Corporate Governance and ESG	Theme IV Risk Management and Internal Control	Theme V Updates on developments in the industry and business
Executive directors					
Mr. Song Kun	✓	✓	✓	✓	✓
Mr. Wang Changyi	✓	✓	✓	✓	✓
Mr. Li Yongbing	✓	✓	✓	✓	✓
Mr. Han Zhiliang	✓	✓	✓	✓	✓
Non-executive directors					
Mr. Du Qiang	✓	✓	✓	✓	✓
Mr. Xue Rongguo	✓	✓	✓	✓	✓
Mr. Shen Lancheng	✓	✓	✓	✓	✓
Mr. Jia Jianqing	✓	✓	✓	✓	✓
Employee director					
Mr. Liu Jiliang	✓	✓	✓	✓	✓
Independent non-executive directors					
Mr. Zhang Jiali	✓	✓	✓	✓	✓
Mr. Stanley Hui Hon-chung	✓	✓	✓	✓	✓
Mr. Wang Huacheng	✓	✓	✓	✓	✓
Ms. Duan Donghui	✓	✓	✓	✓	✓

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

COMMITTEES OF THE BOARD**Remuneration and Evaluation Committee*****Composition and Term of Office***

The Remuneration and Evaluation Committee (the "Remuneration and Evaluation Committee") was established on 2 June 2005. On 20 June 2023, the ninth session of the Board of the Company reappointed the members of the Remuneration and Evaluation Committee with their term of office to end on the day of convening of the 2025 annual general meeting. On 28 August 2025, the term of office of Mr. Jia Jianqing, a member of the Remuneration and Evaluation Committee, was terminated due to his resignation. On the same date, the ninth session of the Board of the Company appointed Mr. Shen Lancheng as a member of the Remuneration and Evaluation Committee with his term of office to end on the day of convening of the 2025 annual general meeting. At present, the Remuneration and Evaluation Committee is comprised of five members including four independent non-executive directors and one non-executive director, namely, Mr. Stanley Hui Hon-chung (chairman of the Remuneration and Evaluation Committee), Mr. Zhang Jiali, Mr. Wang Huacheng, Ms. Duan Donghui and Mr. Shen Lancheng.

Duties

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

- (i) to formulate a remuneration plan or scheme, which shall 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 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 by the directors (including non-independent directors) and senior management and to make annual performance evaluations on them;
- (iv) to monitor the implementation of the remuneration system by 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;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (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 policy and structure for all remunerations for directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (viii) to make recommendations to the Board on the remuneration for non-executive directors;
- (ix) to ensure that no director or any of his associates (as defined under 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.

The model of the Remuneration and Evaluation Committee described in code provision E.1.2(c)(i) of the CG Code has been adopted by the Company.

Directors' Remuneration Policy

The Company determines the remuneration for each of the directors with reference to their duties, responsibilities and the prevailing market condition.

Meetings

The Remuneration and Evaluation Committee convened one meeting during the Reporting Period. In accordance with the Listing Rules, the committee members reviewed the overall remuneration policy and structure of the directors and senior management of the Company and expressed their opinions on, among others, the remuneration packages of the directors and senior management of the Company.

The table below sets out the attendance rate of members of the Remuneration and Evaluation Committee:

Members	Attendance rate (Number of meetings attended/ number of meetings held)
Stanley Hui Hon-chung (<i>Chairman</i>)	1/1
Zhang Jiali	1/1
Wang Huacheng	1/1
Duan Donghui	1/1
Shen Lancheng (<i>Note 1</i>)	1/1
Jia Jianqing (<i>Note 2</i>)	0/0

Note 1: Mr. Shen Lancheng was appointed as a member of the Remuneration and Evaluation Committee on 28 August 2025.

Note 2: Mr. Jia Jianqing ceased to be a member of the Remuneration and Evaluation Committee with effect from 28 August 2025.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Nomination Committee***Composition and Term of Office***

The Nomination Committee (the “Nomination Committee”) was established on 26 March 2007. On 20 June 2023, the ninth session of the Board of the Company reappointed the members of the Nomination Committee with their term of office to end on the day of convening of the 2025 annual general meeting. On 28 August 2025, the term of office of Mr. Wang Changyi and Mr. Han Zhiliang, members of the Nomination Committee, was terminated due to their resignations. On the same date, the ninth session of the Board of the Company appointed Mr. Song Kun and Mr. Li Yongbing as members of the Nomination Committee with their term of office to end on the day of convening of the 2025 annual general meeting. At present, the Nomination Committee is comprised of six members, including four independent non-executive directors and two executive directors, namely, Mr. Zhang Jiali (chairman of the Nomination Committee), Mr. Stanley Hui Hon-chung, Mr. Wang Huacheng, Ms. Duan Donghui, Mr. Song Kun and Mr. Li Yongbing.

Duties

The main duties, roles and functions 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 activities and conditions, the scale of assets and shareholding structure of the Company;
- (ii) to consider the standards and procedures for the selection of directors and senior management of the Company and make recommendations to the Board;
- (iii) to review the qualifications of the candidates for the directors and senior management of the Company, and to make recommendations;

- (iv) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, and to make recommendations on any proposed changes to the Board to complement the Company’s strategies;
- (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 the directors and succession plans for the directors, in particular the chairman and the general manager; and
- (viii) to be responsible for other matters as delegated by the Board.

The Nomination Committee has been provided with sufficient resources from the Company to perform its duties and responsibilities.

Nomination Policy

The nomination policy of the Nomination Committee is set out as follows:

- (i) The Nomination Committee may ask the proposed candidates to provide the necessary personal information in the form specified;
- (ii) The chairman of the Nomination Committee may, upon his/her own motion or receipt of a nomination from a Board member (as the case may be), convene a meeting of the Nomination Committee or circulate a resolution in writing to the members of the Nomination Committee to consider the same in accordance with the terms of reference;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (iii) For the appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations to the Board for its consideration and approval;
- (iv) For the re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidate(s) to stand for re-election at a general meeting;
- (v) If a shareholder wants to propose a candidate for prospective appointment to the Board to be considered by the shareholders, he/she shall submit an application to the Board in accordance with the established procedures;
- (vi) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

Board Diversity Policy

The Company has adopted a diversity policy for Board members, a summary of which is set out as follows:

Vision

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

Policy Statement

- (i) The Company sees 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Monitoring and Reporting

To ensure the effectiveness of the diversity policy, the Nomination Committee will review annually and report, in the corporate governance report, on the Board's composition from the perspective of diversity and monitor the implementation of this policy.

During the year ended 31 December 2025, the following table illustrates the composition and diversity of the Board in terms of five objective criteria, namely (i) gender, (ii) age group, (iii) educational background, (iv) professional experience, skills and knowledge and (v) length of service.

1. Gender

Male	Female
90%	10%

2. Age Group

51 to 55	56 to 60	61 to 65	Over 66
50%	20%	10%	20%

3. Education Background

Bachelor's degree holder	Master's degree holder	Doctoral degree holder
40%	30%	30%

4. Professional Experience, Skills and Knowledge

Engineering and Science	Economics and Business Administration	Accounting	Law	Language and Humanities
20%	50%	20%	40%	10%

CORPORATE GOVERNANCE REPORT (CONTINUED)

5. Length of Service

Less than 1 year	1 to 5 years	6 to 10 years
40%	50%	10%

The Nomination Committee considers that the existing composition of the Board complies with the requirements of diversity policy by comprehensively taking into account (i) the nature, scope and model of the Company's business; (ii) the specific needs of the Company; and (iii) the different backgrounds of the directors. Accordingly, the Nomination Committee and the Board are of the view that the Company has effectively implemented the Board diversity policy.

Review of Nomination Policy

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

Meetings

The Nomination Committee convened two meetings during the Reporting Period. In accordance with the Listing Rules, the committee members reviewed the structure and composition of the Board and senior management and expressed their opinions on matters such as the nomination of candidates for directors of the Company and the assessment of the independence of the independent non-executive directors of the Company.

The table below sets out the attendance rate of members of the Nomination Committee:

Members	Attendance rate (Number of meetings attended/ number of meetings held)
Zhang Jiali (<i>Chairman</i>)	2/2
Stanley Hui Hon-chung	2/2
Wang Huacheng	2/2
Duan Donghui	2/2
Song Kun (<i>Note 1</i>)	1/1
Wang Changyi (<i>Note 2</i>)	1/1
Li Yongbing (<i>Note 3</i>)	1/1
Han Zhiliang (<i>Note 4</i>)	1/1

Note 1: Mr. Song Kun was appointed as a member of the Nomination Committee on 28 August 2025.

Note 2: Mr. Wang Changyi ceased to be a member of the Nomination Committee with effect from 28 August 2025.

Note 3: Mr. Li Yongbing was appointed as a member of the Nomination Committee on 28 August 2025.

Note 4: Mr. Han Zhiliang ceased to be a member of the Nomination Committee with effect from 28 August 2025.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Audit and Risk Management Committee***Composition and Term of Office***

The Audit and Risk Management Committee (formerly named as the "Audit Committee") was established on 10 January 2000. On 28 June 2017, the Audit Committee was renamed as the Audit and Risk Management Committee, and meanwhile its terms of reference were extended. On 20 June 2023, the ninth session of the Board of the Company appointed the members of the Audit and Risk Management Committee with their term of office to end on the day of convening of the 2025 annual general meeting. At present, the Audit and Risk Management Committee is comprised of four independent non-executive directors, namely, Mr. Wang Huacheng (chairman of the Audit and Risk Management Committee and professor of the Department of Finance of the Business School of Renmin University of China), Mr. Zhang Jiali, Mr. Stanley Hui Hon-chung and Ms. Duan Donghui.

Duties

(i) The duties of the committee in supervising and evaluating the work of the external auditor include but are not limited to:

- 1 to be primarily 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 handle any questions of its resignation or dismissal;
- 2 to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The committee shall discuss with the auditor the nature and scope of the audit and relevant reporting obligations before the audit commences;

- 3 to develop and implement policy on engaging an external auditor to supply non-audit services. For such 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; and
- 4 to report to the Board, identifying and making recommendations on any matters where action or improvement is needed.

(ii) The duties of the committee in reviewing the financial information of the Company and expressing opinions thereon include but are not limited to:

- 1 to monitor the completeness of the Company's financial statements and annual report and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant judgements on financial reporting contained therein. In reviewing these reports before submission to the Board, the committee should focus particularly on:
 - (1) any changes in accounting policies and practices;
 - (2) major judgmental areas;
 - (3) significant adjustments resulting from audit;
 - (4) the going concern assumptions and any qualified opinions;
 - (5) compliance with accounting standards; and
 - (6) compliance with the Listing Rules and legal requirements in relation to financial reporting;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- 2 Regarding 1 above:
- (1) members of the committee should liaise with the Board and senior management and the committee must meet, at least twice a year, with the Company's auditors; and
 - (2) the committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors.
- (iii) The duties of the committee in monitoring the Company's financial reporting system, risk management and internal control systems include but are not limited to:
- 1 to review the Company's financial controls, and to review the Company's risk management and internal control systems;
 - 2 to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems in place. This discussion shall include the adequacy of resources, staff qualifications and experience, and adequacy of training programmes for staff and relevant budgets in the Company's accounting and financial reporting function;
 - 3 to consider major investigation findings on risk management and internal control matters and management's response to these findings on its own initiative or as delegated by the Board;
 - 4 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;
 - 5 to review the Company's financial and accounting policies and practices;
 - 6 to review the external auditor's management letter of explanatory statement on audit, any material queries raised by the auditor to management on accounting records, financial accounts or control system and management's response;
 - 7 to ensure that the Board provides a timely response to the issues raised in the external auditor's management letter;
 - 8 to report to the Board on the matters in this provision; and
 - 9 to consider other topics, as defined by the Board.
- (iv) The Committee exercises the supervisory committee's functions and powers as stipulated in the Company Law of the People's Republic of China (the "Company Law"):
- 1 to supervise the performance of duties by the Company's directors, managers and other senior management, and to propose the removal of directors and senior management who violate laws, administrative regulations, the Articles of Association or resolutions of general meetings;
 - 2 to require the Company's directors, managers and other senior management to rectify their acts that harm the interests of the Company;

CORPORATE GOVERNANCE REPORT (CONTINUED)

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| <p>3 to verify the financial data such as financial reports, business reports and profit distribution plans to be submitted by the Board to the general meetings, and if any queries arise, to entrust certified public accountants and practicing auditors in the name of the Company to assist in the review;</p> <p>4 to propose the convening of extraordinary general meetings, and to convene and preside over general meetings when the Board fails to perform its duties of convening and presiding over general meetings as stipulated in the Company Law and the Articles of Association;</p> <p>5 to submit proposals to the general meetings;</p> <p>6 to negotiate with directors and senior management on behalf of the Company or to initiate legal proceedings against directors and senior management;</p> <p>7 to separately entrust accounting firms in the name of the Company to conduct independent reviews of the Company's finances when necessary, and to report the situation directly to the securities regulatory authority of the State Council and other relevant departments; and</p> <p>8 to independently report to the general meetings on the integrity and diligence of the Company's senior management.</p> | <p>(v) The following matters shall be submitted to the Board for consideration after being approved by a majority of all members of the Committee:</p> <p>1 disclosure of financial information and internal control evaluation reports in the financial accounting reports and regular reports;</p> <p>2 engagement or dismissal of the accounting firm undertaking the audit business of the Company;</p> <p>3 appointment or dismissal of the financial officer of the Company;</p> <p>4 changes in accounting policies, accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards; and</p> <p>5 other matters stipulated by laws, administrative regulations, the Articles of Association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").</p> |
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Meetings

The Audit and Risk Management Committee convened three meetings during the Reporting Period. Please refer to the following work summary of the Audit and Risk Management Committee for further details of the relevant meetings.

The table below sets out the attendance rate of members of the Audit and Risk Management Committee:

Members	Attendance rate (Number of meetings attended/ number of meetings held)
Wang Huacheng (<i>Chairman</i>)	3/3
Zhang Jiali	3/3
Stanley Hui Hon-chung	2/3
Duan Donghui	3/3

CORPORATE GOVERNANCE REPORT (CONTINUED)

The work performed by the Audit and Risk Management Committee for 2025 is summarized as follows:

During the year of 2025, the Audit and Risk Management Committee reviewed the annual results report of the Company for the year of 2024 and the interim results report of the Company for the year of 2025, as well as the financial audit report for the year of 2024 and the interim financial review report for the year of 2025; reviewed the report on compliance of continuing connected transactions of the Company for the year, and issued an opinion on the report on continuing connected transactions of the Company for the year; reviewed the effectiveness of the internal audit function of the Company and the internal audit report of the Company; reviewed the report on risk management and internal control of the Company; and reviewed the proposal for re-appointment of the external auditor, and defined its remuneration and term.

The Audit and Risk Management Committee has reported the aforesaid work and review results to the Board.

The Audit and Risk Management Committee has been provided with sufficient resources, including advice from the external auditor and audit department, to perform its duties and responsibilities.

STRATEGY AND SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE

Composition and Term of Office

The Strategy and Sustainable Development (ESG) Committee (formerly named as the "Strategy Committee") was established on 12 June 2002. On 20 June 2023, the ninth session of the Board of the Company appointed the members of the Strategy Committee and the term of office will end on the date of convening of the 2025 annual general meeting. On 28 December 2023, the Strategy Committee was renamed as the Strategy and Sustainable Development (ESG) Committee, and meanwhile its terms of reference

were extended. On 28 August 2025, the term of office of Mr. Wang Changyi, chairman of the Strategy and Sustainable Development (ESG) Committee, and Mr. Han Zhiliang, member of the Strategy and Sustainable Development (ESG) Committee, was terminated due to their resignations. On the same date, the ninth session of the Board of the Company appointed Mr. Song Kun as chairman of the Strategy and Sustainable Development (ESG) Committee and Mr. Li Yongbing as member of the Strategy and Sustainable Development (ESG) Committee, with their term of office to end on the day of convening of the 2025 annual general meeting. At present, the Strategy and Sustainable Development (ESG) Committee is comprised of three members, including two executive directors and one independent non-executive director, namely, Mr. Song Kun (chairman of the Strategy and Sustainable Development (ESG) Committee), Mr. Li Yongbing and Mr. Zhang Jiali.

Duties

The main duties, roles and functions of the Strategy and Sustainable Development (ESG) Committee are set out as follows:

- (i) to conduct research and make recommendations on the long-term development strategies and major investment decisions of the Company;
- (ii) to conduct research and make recommendations on material investment and financing plans that are subject to the approval of the Board;
- (iii) to conduct research and make recommendations on major capital operations and asset management projects that are subject to the approval of the Board;
- (iv) to conduct research and make recommendations on matters related to sustainable development and environmental, social and governance (ESG) of the Company, including but not limited to holding regular meetings of the committee to review and consider the work progress report of ESG-related matters of the Company and report to the Board;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- (v) to conduct research and make recommendations on other significant events that affect the development of the Company;
- (vi) to review the implementation of the matters above;
- (vii) to be responsible for other matters delegated by the Board.

Meetings

The Strategy and Sustainable Development (ESG) Committee convened one meeting during the Reporting Period. In accordance with the Listing Rules, the committee members reviewed the ESG report of the Company for the year of 2024 and reviewed the ESG governance structure of the Company.

The table below sets out the attendance rate of members of the Strategy and Sustainable Development (ESG) Committee at its meetings:

Members	Attendance rate (Number of meetings attended/ number of meetings held)
Song Kun (<i>Chairman</i>) (<i>Note 1</i>)	0/0
Wang Changyi (<i>Note 2</i>)	1/1
Li Yongbing (<i>Note 3</i>)	0/0
Han Zhiliang (<i>Note 4</i>)	1/1
Zhang Jiali	1/1

Note 1: Mr. Song Kun was appointed as the chairman of the Strategy and Sustainable Development (ESG) Committee on 28 August 2025.

Note 2: Mr. Wang Changyi ceased to be the chairman of the Strategy and Sustainable Development (ESG) Committee with effect from 28 August 2025.

Note 3: Mr. Li Yongbing was appointed as a member of the Strategy and Sustainable Development (ESG) Committee on 28 August 2025.

Note 4: Mr. Han Zhiliang ceased to be a member of the Strategy and Sustainable Development (ESG) Committee with effect from 28 August 2025.

RESPONSIBILITIES OF DIRECTORS AND AUDITOR FOR ACCOUNTS

The directors hereby confirm their responsibilities for the preparation of the Company's financial statements. The directors 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 ensure that the financial statements of the Company will be published in due course. The responsibilities of the external auditor to the shareholders are described on pages 80 to 85.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Framework

The objectives of the risk management and internal control system of the Company are to ensure 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 relatively complete and covers every aspect of the operation and management of the Company. The risk management and internal control system of the Company consists of the Board and the Audit and Risk Management Committee to the Board, management as well as the legal affairs department, audit department and finance department. The Board is responsible for the risk management and internal control systems, and their effectiveness will be reviewed by the Audit and Risk Management Committee every year. While the Board oversees the design, implementation and monitoring of the risk management and internal control systems, the management of the Company and the aforementioned departments provide a confirmation to the Board on

CORPORATE GOVERNANCE REPORT (CONTINUED)

the effectiveness of such system. The Board is of the view that, up to the date of publication of this annual report, the Company has established appropriate and effective risk management and internal control systems for the purposes set out in Principle D2 of the Corporate Governance Code.

The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business objectives of the Company and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The management framework is as follows:

System Features, Major Procedures and Scope

System features: The Company has constructed a comprehensive risk management system under the guidance of its internal control manual, and conducts multi-dimensional and full-spectrum risk management through the following measures on an ongoing basis: assessing various material business risks exposed to the Company on a regular basis each year, updating and amending the internal control manual, updating the legal risk prevention manual, issuing the internal control examination report, issuing the risk management report, updating the risk control and management list as well as supplementing and improving risk control and management measures, etc.

Procedure for identifying, assessing and managing material risks: The Company identifies material specific risks, collects risk information, assesses risk level and facilitates the implementation of risk management system through control measures including the comprehensive risk management reporting system, legal risk prevention and internal control guidance each year.

Procedure for reviewing the effectiveness of the risk management and internal control system and the procedure for resolving serious internal control deficiency: The Company conducts walk-through tests and examination assessments on its internal control business procedures and re-examines the effectiveness of the control system on a regular basis each year, and makes adjustments to the internal control targets based on the amendment plan for the Company's system and by combining internal and external audit reports while improving supervisory procedures.

Procedure for handling and publishing inside information: The Company determines major and common types of inside information and key position contact persons based on its business conditions, thereby formulating a stringent confidentiality system. Upon discovery of any suspected inside information, such information will be passed to the inside information management department in a timely manner, and corresponding confidential or disclosure measures will be adopted under the overall management of such department so as to conform to the relevant requirements of inside information regulation.

Whistleblowing and anti-corruption policy and system:

For details of the whistleblowing policy and system of the Company, as well as the policy and system that promote and support anti-corruption laws and regulations, please refer to the paragraphs headed "Promoting Integrity Governance" in the ESG Report of the Company for the year ended 31 December 2025.

Risk Management Functions

The legal affairs department of the Company is responsible for establishing a risk management and internal control system for the Company, preparing a risk management manual and an internal control manual, and adopting proper risk control methods and internal control measures with a view to preventing and avoiding risks.

The audit department of the Company is responsible for making audit plan, which will be presented to the Audit and Risk Management Committee for review. The audit department is also responsible for conducting 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 submitted to the management of the Company. The audit department will conduct audit and keep track of the corrective measures taken by the related departments as instructed by the management. The audit department is required to make internal audit report to the Audit and Risk Management Committee annually.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The finance department of the Company is mainly responsible for monitoring financial risks, establishing a financial control mechanism and adopting risk control and prevention measures to avoid financial risks exposed to the Company.

As an external firewall against the risks of the Company, the external auditor engaged by the Company conducts an independent external audit on the financial statements of the Company, and reports to the Audit and Risk Management Committee. The Company also continuously improves its risk prevention and control as well as internal control according to the reports.

The work performed with respect to risk management and internal control by the relevant departments of the Company for 2025 is summarized as follows:

In 2025, the legal affairs department updated the risk management manual, and optimized the risk management and control system by identifying new risk exposures based on the changes in the operational environment of the Company. The audit department conducted proactive internal audits in key business sectors and high-risk areas of the Company. The finance department continued to maintain a normalized control measure for the financial risks. During 2025, the legal affairs department reported to the Audit and Risk Management Committee once. The audit department and the finance department reported to the Audit and Risk Management Committee twice. The auditor reported to the Audit and Risk Management Committee three times, and the Audit and Risk Management Committee reported to the Board accordingly.

During the annual review, the Audit and Risk Management Committee has also considered resources, staff qualifications and experience, training programmes and the adequacy of the budget of the Company's internal audit, accounting and financial reporting function. The Board has reviewed the effectiveness of the risk management and internal control system of the Company (including financial, operational and compliance controls and the Company's processes for financial reporting and compliance with the Listing Rules) and considers that,

during the year ended 31 December 2025, the existing internal control system is appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code.

AUDITORS' REMUNERATION

The Company appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and Deloitte Touche Tohmatsu as the auditors of the Company for 2025. During the year ended 31 December 2025, the above auditors charged the Company RMB2.46 million as service fees in respect of the audit services. No non-audit service fee payable to the auditors was incurred for the year ended 31 December 2025.

JOINT COMPANY SECRETARIES

Ms. Li Bo and Ms. Liu Jiong have served as the joint company secretaries of the Company with effect from 28 December 2023. For biographies of Ms. Li and Ms. Liu, please refer to the section headed "Joint Company Secretaries" in the Report of the Board. The primary contact person of the Company in relation to corporate governance matters with Ms. Liu is Ms. Li, who is one of the joint company secretaries and also serves as the secretary to the Board. Ms. Li provides opinions on corporate governance issues to the Board by reporting to the chairman of the Board or the chief executive, and makes arrangements for directors' induction training and professional development. Each of Ms. Li and Ms. Liu has confirmed that she has received not less than 15 hours of relevant professional training during the Reporting Period.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

According to the provisions under the Articles of Association, an extraordinary general meeting may be convened upon the written request by the shareholders individually or collectively holding 10% or more of the issued shares of the Company with voting rights for 90 or more consecutive days.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

The 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:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

The Company will check with its share registrar on the relevant condition. If the principal 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 convene an extraordinary general meeting and dispatch a notice to all registered shareholders in accordance with the provisions under the Listing Rules and the Articles of Association.

An extraordinary general meeting will not be convened if the relevant condition or the principal matters proposed by the requisitionists are deemed inappropriate after investigation, and the Company will inform relevant shareholders of the relevant results.

If the Board does not agree to convene an extraordinary general meeting, or fails to give a response within 10 days after receiving the request, the requisitionists shall propose to the Audit and Risk Management Committee in writing to convene an extraordinary general meeting.

If the Audit and Risk Management Committee agrees to convene an extraordinary general meeting, it shall dispatch a notice of the general meeting within 5 days upon receiving the request. Any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit and Risk Management Committee does not dispatch a notice of extraordinary general meeting within the specified timeframe, the Audit and Risk Management Committee shall be considered to be unwilling to convene and preside over the general meeting, and the shareholders who individually or collectively hold 10% or more of the shares of the

Company for 90 or more consecutive days may convene and preside over the general meeting on their own initiative.

Meanwhile, at any shareholders' general meetings (including annual general meetings and extraordinary general meetings) convened by the Company, shareholders holding 1% or more of the shares of the Company with voting rights are entitled to raise new proposals in writing to the Company, and the Company shall incorporate the proposals which fall within the scope of the general meeting's terms of reference into the agenda of the meeting.

DIVIDEND POLICY

The Board approved and adopted the adjustment proposal to the profit distribution policy on 30 March 2023, which was approved by the shareholders of the Company at the 2022 annual general meeting of the Company convened on 20 June 2023. Pursuant to the profit distribution policy, provided that the Company is in good operating condition and has sufficient cash flow to meet the needs for normal operation and sustainable development, the Company will proactively provide return to the shareholders in the form of cash dividends, and the target payout ratio for cash dividend distribution is generally no less than 45% of the distributable profits realized for the year. If the said payout ratio for cash dividend is unable to be met due to special reasons, the Board may adjust the dividend payout ratio based on actual circumstances and state the reasons thereof. The Company's proposal and implementation of the distribution of cash dividends shall be subject to the satisfaction of all the following conditions: (1) the Company shall have recorded profits for the year, with a standard and unqualified audit report issued by the auditor in respect of the Company's financial statements for that year; (2) the distributable profits (representing the after-tax profits of the Company after the recovery of losses and the allocation to the statutory accumulation fund and discretionary accumulation fund) realized by the Company for the year are positive in value; and (3) the Company has sufficient cash flow, and the distribution of cash dividends will not affect the Company's normal operation and sustainable development.

CORPORATE GOVERNANCE REPORT (CONTINUED)

In view of the fact that in 2025, the Company continued to record a loss from operations, the Board did not propose to distribute any final dividend for the year ended 31 December 2025. The Board confirms that the decision not to declare any final dividend was made in accordance with the Company's dividend policy.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

At the extraordinary general meeting convened on 28 August 2025, the shareholders of the Company approved a special resolution in relation to, among others, certain amendments to the Articles of Association made by the Company to optimize the corporate governance structure based on the actual operation and management needs of the Company, in accordance with the relevant provisions of the Company Law of the People's Republic of China. The details of amendments to the Articles of Association are set out in (i) the announcement of the Company dated 31 July 2025; (ii) the circular of the Company dated 11 August 2025; and (iii) the announcement of results of the extraordinary general meeting of the Company dated 28 August 2025.

An up-to-date version of the Articles of Association of the Company is available on the websites of the Hong Kong Stock Exchange and the Company.

ENQUIRIES TO THE BOARD

Shareholders may make enquiries to the Board by phone (+8610 6450 7784) or email (ir@bcia.com.cn).

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to a policy of open and regular communication with its shareholders and makes reasonable disclosure of information to them. A summary of the Company's shareholders' communication policy is set out as follows:

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 disclosure information

on the Hong Kong 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:
 - (a) establishing specialized agencies and personnel for receiving investors and analysts and answering the relevant questions raised by them;
 - (b) arranging on-site visits for investors and analysts to the Company to facilitate their timely understanding of the operating conditions and latest business development of the Company;
 - (c) gathering and analyzing, in a timely manner, opinions and suggestions of various kinds from securities analysts and investors on the operation of the Company, compiling reports regularly and selectively adopting them into the operation of the Company; and
 - (d) providing relevant financial and operational information on various media platforms, such as the Company's website and WeChat official account of "Capital Airport Investor Relations".

In 2025, the Company attended nearly 20 investor conferences/communication meetings held by various investment banking institutions through online meeting and received phone enquiries from over 100 investors to keep them abreast of the operation and development of the Company, so as to gain understanding, recognition and support from the shareholders on the Company's various major operating decisions. Therefore, having reviewed the implementation and effectiveness of the shareholders' communication policy in 2025, the Company is of the view that such policy is effective and has been properly implemented.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Pursuant to the amended Rule 2.07 of the Listing Rules in relation to the expansion of paperless listing regime and the electronic dissemination of corporate communications that came into effect on 31 December 2023, corporate communications (as defined in the Listing Rules) are available on the website of the Company at www.bcia.com.cn and the HKEX news website at www.hkexnews.hk. The Company will despatch the actionable corporate communications (as defined in the Listing Rules) by electronic means or by post.

If the shareholders would like to receive the corporate communications of the Company in printed form, please send the request to the Company's H Share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or send an email to bcia@computershare.com.hk specifying the name, address and request to receive the corporate communications in printed form (Chinese or English version).

Please note that the instruction of receipt of future corporate communications in printed form shall be valid for one year starting from the receipt date of the instruction from the shareholders.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Beijing Capital International Airport Company Limited

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

OPINION

We have audited the financial statements of Beijing Capital International Airport Company Limited (the "Company") set out on pages 86 to 161, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (Continued)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Beijing Capital International Airport Company Limited

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

Key Audit Matter

How our audit addressed the Key Audit Matter

Recognition of deferred tax assets associated with tax losses

As at 31 December 2025, the Company had deferred tax assets associated with tax losses amounting to RMB392 million. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to utilize the tax losses carried forward.

The Company's forecast of future taxable profits used in the recognition of deferred tax assets associated with tax losses includes assumptions on revenue growth rates and related operating expenses growth rates ("forecasted growth rates").

We identified the recognition of deferred tax assets associated with tax losses as a key audit matter due to its significance to the financial statements and the involvement of significant management judgement and estimation uncertainty.

Details of the related estimation uncertainty are set out in notes 4 and 18 to the financial statements.

Our procedures in relation to the recognition of deferred tax assets associated with tax losses included:

- Understanding the design and implementation of the key controls relevant to recognition of deferred tax assets associated with tax losses;
- Obtaining management's calculation sheets of deferred tax assets associated with tax losses and testing the mathematical accuracy of the calculation sheets; and
- Evaluating management's future taxable profits forecast by performing the following procedures:
 - comparing the actual results for the current year taxable profit with the forecasted taxable profit estimated in prior year to evaluate the reliability of management's estimation;
 - assessing the reasonableness of forecasted growth rates adopted in the Company's profit forecast by comparing them with the Company's historical growth rates, the latest financial budgets and forecasts, future operation plans and industry data.

INDEPENDENT AUDITOR'S REPORT (Continued)

INDEPENDENT AUDITOR'S REPORT**To the Shareholders of Beijing Capital International Airport Company Limited***(incorporated in the People's Republic of China with limited liability)***Key Audit Matter****How our audit addressed the Key Audit Matter****Expected credit losses of trade receivables**

As at 31 December 2025, the Company had trade receivables amounting to RMB1,586 million, among which, a provision of RMB524 million has been made.

Except for the trade receivables whose expected credit losses ("ECL") are assessed individually, the management of the Company estimates the amount of lifetime ECL of trade receivables collectively using a provision matrix, which is grouped based on shared credit risk characteristics. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.

We identified the ECL of trade receivables as a key audit matter due to its significance to the financial statements and the involvement of significant management judgement and estimation uncertainty.

Details of the related estimation uncertainty are set out in notes 4, 20 and 35 to the financial statements.

Our procedures in relation to management's assessment on the ECL of trade receivables included:

- Understanding the design and implementation of the key controls relevant to assessing the ECL of trade receivables;
- Obtaining an understanding of how the management estimates the amount of lifetime ECL of trade receivables individually and using provision matrix, and assessing the reasonableness of management's judgement;
- For trade receivables individually assessed for ECL, reviewing the supporting documentation and assessing the reasonableness of the provision determined by the management based on the customer's financial and credit status, historical payment rate and the forecast of the future financial status on a sample basis;
- For trade receivables assessed by provision matrix based on shared credit risk characteristics for ECL, assessing the reasonableness of portfolios classification and provision rates of each portfolio determined by the management, including recalculation of historical observed default rates determined by the management, and evaluating the appropriateness of management's assessment of forward-looking information. Meanwhile, checking the appropriateness of classification of trade receivables in the provision matrix based on shared credit risk characteristics for ECL on a sample basis; and
- Verifying the mathematical accuracy of the calculation of ECL.

INDEPENDENT AUDITOR'S REPORT (Continued)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Beijing Capital International Airport Company Limited

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

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Beijing Capital International Airport Company Limited

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Continued)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Beijing Capital International Airport Company Limited

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yam Siu Man.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 March 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenues			
Aeronautical	5	2,770,358	2,667,662
Non-aeronautical	5	2,861,393	2,824,543
		5,631,751	5,492,205
Operating expenses			
Depreciation and amortisation	13,14,15,16	(1,554,199)	(1,509,409)
Repairs and maintenance		(947,114)	(991,013)
Aviation safety and security guard costs		(835,350)	(875,853)
Staff costs	7	(599,315)	(560,615)
Utilities and power		(519,809)	(528,511)
Operating contracted services		(437,186)	(457,718)
Concession management fees		(273,337)	(274,815)
Real estate and other taxes		(259,601)	(243,506)
Greening and environmental maintenance		(201,024)	(220,474)
Other costs		(157,547)	(194,842)
		(5,784,482)	(5,856,756)
Impairment (losses)/gains (including reversals of impairment losses or impairment gains) on financial assets		(87,364)	7,786
Other income		1,451	5,209
Other gains and losses, net		2,938	4,473
Operating loss		(235,706)	(347,083)
Finance income	8	18,114	20,493
Finance costs	8	(282,576)	(299,073)
		(264,462)	(278,580)
Share of result of an associate	17	(8,931)	(3,712)
Loss before income tax		(509,099)	(629,375)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Income tax expense	9	(120,938)	(760,370)
Loss for the year		(630,037)	(1,389,745)
Other comprehensive income/(expense)			
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of retirement benefit obligations	31	20,723	(62,907)
Income tax relating to item that will not be reclassified subsequently to profit or loss	18	(5,181)	15,727
Other comprehensive income/(expense) for the year, net of income tax		15,542	(47,180)
Total comprehensive expense for the year		(614,495)	(1,436,925)
Loss per share, basic and diluted (RMB)	12	(0.14)	(0.30)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	13	20,970,352	21,568,147
Right-of-use assets	14	1,784,295	1,809,071
Investment properties	15	2,535,417	2,627,087
Intangible assets	16	61,158	87,739
Investment in an associate	17	32,566	42,055
Deferred tax assets	18	1,205,601	1,331,720
Other non-current assets		53,149	280,126
		26,642,538	27,745,945
Current assets			
Inventories	19	178,079	190,557
Trade receivables	20	1,062,050	1,023,746
Prepayments	21	17,421	24,207
Other financial assets at amortised cost	22	46,198	36,143
Financial assets at fair value through profit or loss	23	12,468	9,530
Notes receivables		15,117	15,463
Other current assets	24	187,618	202,069
Cash and cash equivalents	25	1,851,806	1,427,698
		3,370,757	2,929,413
Total assets		30,013,295	30,675,358

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2025

		As at 31 December	
	Notes	2025 RMB'000	2024 RMB'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	26	4,579,179	4,579,179
Share premium		6,300,867	6,300,867
Capital reserve	27(a)	250,250	233,440
Other reserve	27(b)	(71,310)	(86,852)
Statutory and discretionary reserves	27(c)	3,818,989	6,809,588
Accumulated losses		(2,019,782)	(4,380,344)
Total equity		12,858,193	13,455,878
Non-current liabilities			
Long-term borrowings	28	1,193,220	1,992,834
Bonds payable	29	-	1,499,123
Lease liabilities	14	523,111	511,946
Deferred income	30	20,215	21,366
Retirement benefit obligations	31	164,470	185,740
		1,901,016	4,211,009
Current liabilities			
Short-term borrowings	28	7,277,052	7,520,864
Trade and other payables	32	5,473,651	5,328,069
Current portion of long-term borrowings	28	800,831	4,215
Current portion of bonds payable	29	1,514,232	14,587
Current portion of lease liabilities	14	178,614	131,051
Current portion of retirement benefit obligations	31	9,706	9,685
		15,254,086	13,008,471
Total liabilities		17,155,102	17,219,480
Total equity and liabilities		30,013,295	30,675,358

The financial statements on pages 86 to 161 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

Song Kun
Chairman

Li Yongbing
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000 Note 27(a)	Other reserve RMB'000 Note 27(b)	Statutory and discretionary reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000
As at 1 January 2024	4,579,179	6,300,867	228,440	(39,672)	6,809,588	(2,990,599)	14,887,803
Loss for the year	–	–	–	–	–	(1,389,745)	(1,389,745)
Other comprehensive expense for the year	–	–	–	(47,180)	–	–	(47,180)
Total comprehensive expense for the year	–	–	–	(47,180)	–	(1,389,745)	(1,436,925)
Others	–	–	5,000	–	–	–	5,000
As at 31 December 2024	4,579,179	6,300,867	233,440	(86,852)	6,809,588	(4,380,344)	13,455,878
As at 1 January 2025	4,579,179	6,300,867	233,440	(86,852)	6,809,588	(4,380,344)	13,455,878
Loss for the year	–	–	–	–	–	(630,037)	(630,037)
Other comprehensive income for the year	–	–	–	15,542	–	–	15,542
Total comprehensive income/ (expense) for the year	–	–	–	15,542	–	(630,037)	(614,495)
Discretionary reserves utilised to offset accumulated losses (Note 27(c))	–	–	–	–	(2,990,599)	2,990,599	–
Others	–	–	16,810	–	–	–	16,810
As at 31 December 2025	4,579,179	6,300,867	250,250	(71,310)	3,818,989	(2,019,782)	12,858,193

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	37	1,606,950	89,673
Refund of taxes and surcharges		–	7,929
Net cash generated from operating activities		1,606,950	97,602
Cash flows from investing activities			
Interest received		16,963	13,577
Purchase of property, plant and equipment		(553,815)	(372,108)
Proceeds from disposal of property, plant and equipment		4,803	–
Purchase of intangible assets		(436)	(50,600)
Investment in an associate		558	–
Net cash used in investing activities		(531,927)	(409,131)
Cash flows from financing activities			
Repayment of borrowings		(7,502,807)	(7,562,800)
Interest paid		(215,339)	(249,034)
Principal and interest elements of lease payments		(172,827)	(236,235)
Proceeds from borrowings		7,223,611	8,500,234
Others		16,810	5,000
Net cash (used in)/generated from financing activities		(650,552)	457,165
Net increase in cash and cash equivalents		424,471	145,636
Cash and cash equivalents at beginning of the year		1,427,698	1,281,806
Exchange effect on cash and cash equivalents		(363)	256
Cash and cash equivalents at end of the year	25	1,851,806	1,427,698

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

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

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated, and were approved for issue by the Board of Directors (the “Directors”) on 26 March 2026.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Company has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatory effective for the annual period beginning on 1 January 2025 for the preparation of the financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Company’s financial position and performance for the current and prior years and/or on the disclosures set out in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

New and Amendments to IFRS Accounting Standards in issue but not yet effective

The Company has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or 1 January 2026.

³ Effective for annual periods beginning on or 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Company in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("Companies Ordinance"). They have been prepared under the historical cost convention, except for certain financial instruments, which have been measured at fair value.

As at 31 December 2025, the Company's current liabilities exceeded its current assets by RMB11,883,329,000. Management has given careful consideration to the future liquidity and performance of the Company and its available sources of financing in assessing whether the Company will have sufficient funds to fulfil its financial obligations and continue as a going concern. As at 31 December 2025, there were sufficient banking facilities available to the Company for its operations and the repayments of the financial obligations as at and when they fall due in the twelve months from 31 December 2025. Management has prepared a cash flow projection, which covers a period of not less than twelve months from 31 December 2025. The directors of the Company have reviewed the Company's cash flow projection and are of the opinion that the Company will have sufficient financial resources, to finance its operations and to meet its financial obligations as at and when they fall due within twelve months from 31 December 2025. Accordingly, the directors of the Company have prepared the financial statements on a going concern basis.

3.2 Material accounting policy information

Revenue recognition

Revenue 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 control of goods or services has been transferred to the customer. The specific criteria on revenue recognition for each of the Company's activities, as described below.

- (i) Aeronautical revenues include aircraft and related income and passenger income are recognised when the related airport services are rendered.
- (ii) Concession revenues are recognised based on a percentage of sales or specified minimum guarantees.
- (iii) Rental income is recognised on a straight-line basis over the lease term.
- (iv) Resources usage income is recognised based on a percentage of sales or specified minimum guarantees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Revenue recognition (continued)

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

When the Company recognises revenue according to the completion stage of the service, the part with unconditional collection right obtained is recognised as accounts receivable, and loss provision for accounts receivable shall be recognised on the basis of expected credit losses; if the contract price received or receivable exceeds the completed service, the excess will be recognised as the contract liability.

Contract costs include contract performance costs. The costs incurred by the Company in the rendering of services are recognised as contract performance costs and are carried forward to the operating expenses of the main operations on a systematic basis that is consistent with the transfer to the customer of the services to which contract costs relates.

Leases

The Company assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Company as a lessee

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Leases (continued)

The Company as a lessee (continued)

Right-of-use assets (continued)

Right of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Company is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company presents right-of-use assets as a separate line item on the statement of financial position.

Lease liabilities

At the commencement date of a lease, the Company recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Company and whether the lease benefit from a guarantee from the Company.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Company exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Leases (continued)

The Company as a lessee (continued)

Lease liabilities (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Company presents lease liabilities as a separate line item on the statement of financial position.

Lease modifications

The Company accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Company remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Company as a lessor

Classification and measurement of leases

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset, and such costs are recognised as an expense on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are excluded and are recognised as income when they are earned.

Rental income which are derived from the Company's ordinary course of business are presented as revenue.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Leases (continued)

The Company as a lessor (continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Company applies IFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals. The Company accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Borrowing costs

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.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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.

Employee benefits

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 certain percentages of the employees' basic salaries.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Employee benefits (continued)

Pension obligations (continued)

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:

- (1) 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.
- (2) 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.

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 employee's service in the current and prior periods. The contributions are recognised as staff costs when they are due.

There were no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) to offset existing contributions under the defined contribution schemes.

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 statement of financial position 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 the qualified staff (who is Fellow of the Society of Actuaries) of independent actuaries, Aon Enterprise Solutions (Shanghai) Co., Ltd., 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Employee benefits (continued)

Pension obligations (continued)

Defined benefit scheme (continued)

The current service cost of the defined benefit plan, recognised in the statement of profit or loss and other comprehensive income, 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 profit or loss.

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 net interest cost is recognised in profit or loss.

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 Enterprise Solutions (Shanghai) Co., Ltd., the independent qualified actuaries.

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 CAH and its related entities prior to the incorporation of the Company and currently occupy. Housing subsidies 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 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Employee benefits (continued)

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Company entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Company recognises the right-of-use assets and the related lease liabilities, the Company first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Company applies IAS 12 Income Taxes requirements to the lease liabilities, and the related assets separately. The Company recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred 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 they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment and depreciation

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. In the case of leasehold improvements, depreciation is recognised over the shorter of its estimated useful life and the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. As at 31 December 2025, the estimated useful lives are set out as follows:

Buildings and improvements	8 – 45 years
Runways	40 years
Plant, furniture, fixtures and equipment	5 – 17 years
Motor vehicles	8 – 12 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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.

Impairment of non-financial assets

Non-financial assets are tested 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

Cash and cash equivalents presented on the statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Company must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

(i) Amortized cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial assets from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Company performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, notes receivables, other receivables and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Company always recognises lifetime ECL for trade receivable and notes receivables.

For all other instruments, the Company measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company entities after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities (including borrowings, bonds payable, trade payables, other payables and lease liabilities) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax asset

As at 31 December 2025, a deferred tax asset of RMB391,890,000 (2024: RMB642,056,000) was recognised in relation to unused tax losses. No deferred tax asset has been recognised on the tax losses of RMB7,337,160,000 (2024: RMB6,438,956,000) due to the unpredictability of future profit streams as at 31 December 2025. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade receivables

Trade receivables relating to customers with significant doubt on collection of receivables are assessed for ECL individually. In addition, the Company uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Company's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Company's trade receivables are disclosed in notes 20 and 35.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The cost of the Phase III Assets and T3D Assets

- (i) In October 2008, the Company completed the acquisition from CAH, other than Zone D and its ancillary assets, Terminal Three ("T3") and the related assets (collectively the "Phase III Assets"), which include the airfield assets, roads, the driverless train system, and the related equipment, machinery, facilities and land use rights. Pursuant to the relevant agreements, the consideration of acquiring the Phase III Assets should be determined based on a valuation performed by an independent valuer, subject to adjustment based on the final account of construction by a surveyor. As at 31 December 2025, the Parent Company has not yet obtained the land use rights certificates from the Beijing Municipal Bureau of Land and Resource. The final cost of acquisition is therefore subject to future adjustment when the land use rights certificates are obtained. Any adjustment will be accounted for prospectively as a change in the accounting estimate.
- (ii) In January 2015, the Company completed the acquisition from CAH of Zone D of T3 and its ancillary assets (the "T3D Assets"). Pursuant to the relevant agreements, the consideration of acquiring the T3D Assets should be determined based on a valuation performed by an independent valuer, subject to adjustment based on the final account of construction by a surveyor. As at 31 December 2025, the Parent Company has not yet obtained the land use rights certificates from the Beijing Municipal Bureau of Land and Resource. The final cost of acquisition is therefore subject to future adjustment when the land use rights certificates are obtained. Any adjustment will be accounted for prospectively as a change in the accounting estimate.

The accrued liabilities for the title change of the Ground Traffic Centre Assets

In October 2018, the Company completed the acquisition from CAH of the Ground Traffic Centre ("GTC") and the related facilities and land use rights at the Beijing Capital Airport (collectively the "GTC Assets"). Pursuant to the relevant agreements, the consideration of acquiring GTC Assets consisted of two parts: a current payment consideration which was determined by an independent valuer, and a future payment consideration which will be determined based on the actual amounts necessary to be incurred upon completion of title transfer. Management estimated the future payment consideration based on the forecast land prices for the initial recognition of the costs of the GTC Assets. As at 31 December 2025, the title transfer of the GTC Assets was not completed. The final cost of acquisition is therefore subject to future adjustment when the necessary costs for the title transfer are known. Any adjustment will be accounted for prospectively as a change in the accounting estimate.

Estimated useful lives of property, plant and equipment

As at 31 December 2025, the carrying value of property, plant and equipment is RMB20,970,352,000 (2024: RMB21,568,147,000). The Company's major operating assets primarily comprised buildings and improvements, runways and plant, furniture, fixtures and equipment. Management determines the estimated useful lives of its property, plant and equipment based on its industry experience and the conditions of the property, plant and equipment. The estimated useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Employee benefits – Defined benefit scheme

In addition to the state-sponsored pension plan, the Company also maintained a voluntary retired benefit plan and an Annuity Plan, which includes a defined benefit scheme for all participating employees (Note 31). The Company recognises a liability in the statement of financial position in respect of defined benefit pension plans based on 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 using the projected unit credit method, which depends on a number of assumptions, including discount rate, pension cost inflation rate, salary inflation rate, employees' withdrawal rate and mortality rate. 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 employees are made reference to the China Life Incurrence Mortality Table (2010-2013) published by the China Insurance Regulatory Commission (Note 31). Change in any of these assumptions will impact the carrying amount of the pension obligations.

5. REVENUES AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Directors. The Directors review 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 Directors consider the performance assessment of the Company should be based on the results of the Company as a whole. Therefore, the Directors consider that there is only one operating segment under the requirement of IFRS 8 *Operating Segments*.

Analysis of revenue by category	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Aeronautical:		
Aircraft movement and related income	1,404,149	1,395,441
Passenger income	1,366,209	1,272,221
	2,770,358	2,667,662
Non-aeronautical:		
Concession revenue(note a)	1,510,790	1,569,928
Rental income	1,078,867	979,803
Resources usage income	203,978	213,468
Others	67,758	61,344
	2,861,393	2,824,543
Total revenue	5,631,751	5,492,205

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

5. REVENUES AND SEGMENT INFORMATION (CONTINUED)

(a) Concession revenue is recognised in respect of the following businesses:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Advertising	674,300	702,418
Retailing	542,161	511,714
Restaurants and food shops	124,395	173,485
VIP services	77,044	82,061
Car parking	65,824	71,388
Others	27,066	28,862
	1,510,790	1,569,928

As the Company is domiciled in the Mainland China from where all of its revenues from external customers for the years ended 31 December 2025 and 2024 were derived and in where all of its assets are located, no geographical segment information is shown.

For the year ended 31 December 2025, approximately 33% (2024: 33%) of the total revenues were derived from one (2024: one) external customer. Other customers did not exceed 10% of the total revenues.

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

6. EXPENSES BY NATURE

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment (Note 13)	1,184,489	1,134,285
Depreciation of right-of-use assets (Note 14)	226,055	229,318
Depreciation of investment properties (Note 15)	91,670	91,670
Amortisation of intangible assets (Note 16)	51,985	54,136
Loss on disposal of property, plant and equipment	16,130	10,685
Auditor's remunerations		
– Audit services	2,321	2,321

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

7. STAFF COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and welfare	393,825	389,143
Pension costs – defined contribution scheme under statutory pension plan (<i>note a</i>)	58,305	53,992
Housing fund	43,861	43,042
Pension costs – defined contribution scheme under the Annuity Plan	29,242	28,670
Pension costs – defined benefit scheme under the Annuity Plan and others (<i>Note 31</i>)	7,854	(27,816)
Other allowances and benefits	66,228	73,584
	599,315	560,615

- (a) All of the Company's full-time Chinese employees have participated the 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 16% (2024:16%) of the employees' basic salaries subject to a cap determined by the state on an annual basis.

There were no forfeited contributions utilised to offset employers' contributions for the year ended 31 December 2025 (2024: nil). There was no forfeited contribution available to reduce the contributions payable in the future years as at 31 December 2025 (2024: nil).

- (b) Staff costs include emoluments payable to the Company's directors and supervisors as set out in Note 10.

8. FINANCE INCOME/(COSTS)

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Finance income		
Interest income on bank deposits	18,114	20,365
Exchange gains, net	–	128
	18,114	20,493
Finance costs		
Interest expenses on borrowings	(201,825)	(219,064)
Interest expenses on bonds payable	(46,422)	(46,549)
Interest expenses on lease liabilities (<i>Note 14</i>)	(30,276)	(28,890)
Interest expenses on actuarial benefits (<i>Note 31</i>)	(3,838)	(4,506)
Bank charges	(59)	(64)
Exchange losses, net	(156)	–
	(282,576)	(299,073)
Net finance costs	(264,462)	(278,580)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

9. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2024: 25%) on its taxable income as determined in accordance with the relevant PRC income tax laws and regulations.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Deferred tax (Note 18)	120,938	760,370

The difference between the actual tax expense in the statement of profit or loss and other 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:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	(509,099)	(629,375)
Tax calculated at a tax rate of 25% (2024: 25%)	(127,275)	(157,344)
Reversal of tax losses recognised as deferred tax assets in prior years	224,551	742,496
Tax effect of deductible temporary differences and tax losses not recognised	10,013	170,011
Expenses not deductible for tax purpose	13,649	5,207
Tax expense	120,938	760,370

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS**(a) Directors' and Supervisors' emoluments**

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Companies Ordinance, is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Fees	854	920
Salaries, housing allowances, other allowances and benefits in kind	2,728	2,247
To pension scheme	273	353
Total	3,855	3,520

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (CONTINUED)

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

For the year ended 31 December, 2025

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
Chairman					
Song Kun (note i, note iv)	-	-	-	-	-
Wang Changyi (note i, note vi)	-	-	-	-	-
Executive directors					
Li Yongbing (note v)	-	234	24	26	62
Han Zhiliang (note ii, note iii, note vii)	-	78	8	8	18
Non-executive directors					
Jia Jianqing (note i, note viii)	-	-	-	-	-
Du Qiang (note i)	-	-	-	-	-
Xue Rongguo (note i, note ix)	-	-	-	-	-
Shen Lancheng (note i, note x)	-	-	-	-	-
Employee Director					
Liu Jiliang (note ii, note xi, note xiii)	-	481	47	51	118
Independent non-executive directors					
Zhang Jiali	180	-	-	-	-
Stanley Hui Hon-chung	180	-	-	-	-
Wang Huacheng	180	-	-	-	-
Duan Donghui	180	-	-	-	-
Name of supervisor					
Wu Xiaoli (note xiii)	-	396	30	41	75
Japhet Sebastian Law (note xiii)	67	-	-	-	-
Jiang Ruiming (note xiii)	67	-	-	-	-
	854	1,189	109	126	273
Total					2,551

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (CONTINUED)

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

For the year ended 31 December, 2024

	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
Name of director					
Chairman					
Wang Changyi (note i, note vi)	–	–	–	–	–
Executive director					
Han Zhiliang (note ii, note iii, note vii)	–	408	46	50	122
Non-executive directors					
Jia Jianqing (note i, note viii)	–	–	–	–	–
Song Kun (note i, note iv)	–	–	–	–	–
Du Qiang (note i)	–	–	–	–	–
Independent non-executive directors					
Zhang Jiali	180	–	–	–	–
Stanley Hui Hon-chung	180	–	–	–	–
Wang Huacheng	180	–	–	–	–
Duan Donghui	180	–	–	–	–
Name of supervisor					
Liu Jiliang (note ii, note xi, note xiii)	–	481	46	50	120
Wu Xiaoli (note xiii)	–	583	46	61	111
Jiang Ruiming (note xiii)	100	–	–	–	–
Japhet Sebastian Law (note xiii)	100	–	–	–	–
	920	1,472	138	161	353
Total					3,044

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (CONTINUED)

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

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) According to the results of the performance appraisal of the previous year in the current year, the performance compensation of Mr. Han Zhiliang and Liu Jiliang in the previous year was confirmed, with the amounts of RMB187,000 and RMB300,000 respectively (2024: RMB174,000 and RMB302,000 respectively).
- (iii) According to the results of the performance appraisal of the previous years (2021-2023) in the current year, the performance compensation of Mr. Han Zhiliang in the previous years was confirmed, with the amounts of RMB817,000.
- (iv) Mr. Song Kun was re-designated from a non-executive director to an executive director and elected by the Board as the chairman of the Board with effect from 26 June 2025.
- (v) Mr. Li Yongbing was appointed as general manager with effect from 30 June 2025 and was appointed as executive director with effect from 28 August 2025.
- (vi) Mr. Wang Changyi was re-designated from an executive director to a non-executive director, and ceased to be the chairman of the Board with effect from 26 June 2025. He has ceased to be a non-executive director of the Company with effect from 28 August 2025.
- (vii) Mr. Han Zhiliang resigned as general manager with effect from 17 February 2025 and resigned as executive director with effect from 28 August 2025.
- (viii) Mr. Jia Jianqing resigned as non-executive director with effect from 28 August 2025.
- (ix) Mr. Xue Rongguo was appointed as non-executive director with effect from 28 August 2025.
- (x) Mr. Shen Lancheng was appointed as non-executive director with effect from 28 August 2025.
- (xi) Mr. Liu Jiliang was elected as employee director with effect from 16 September 2025.
- (xii) Mr. Liu Chunchen resigned as chairman of the board of supervisors with effect from 28 May 2025. His emoluments were not included in directors' and supervisors' emoluments, and were paid by the Parent Company directly.
- (xiii) The Board of Supervisors of the Company was abolished with effect from 28 August 2025.

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

During the year ended 31 December 2025, no emoluments were paid by the Company to any director or supervisor as an inducement to join or upon joining the Company or as compensation for loss of office (2024: nil).

(b) Directors' and supervisors' retirement benefits

During the year ended 31 December 2025, 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 (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (CONTINUED)**(c) Directors' and supervisors' termination benefits**

During the year ended 31 December 2025, no termination benefits were paid or receivable by any director or supervisor as compensation for their early termination of the appointment (2024: nil).

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

During the year ended 31 December 2025, no payment was made to the former employer of directors or supervisors for making available the service as a director or supervisor of the Company (2024: 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 2025, 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 (2024: nil).

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Company during the year included one director (2024: one supervisor). Details of the remuneration for the year of the remaining four non-director and non-supervisor employees (2024: remaining four non-director and non-supervisor employees) are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries, housing allowances, other allowances and benefits in kind	3,640	3,671
Contributions to pension scheme	523	522
	4,163	4,193

The emoluments fell within the following bands:

	Number of individuals Year ended 31 December	
	2025	2024
Emolument bands (in HK dollar) HK\$1,000,001 – HK\$1,500,000	4	4

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

12. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to the owners of the Company by the weighted average number of 4,579,178,977 (2024: 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 year ended 31 December 2025 (2024: nil).

	Year ended 31 December,	
	2025	2024
Loss for the year (RMB'000)	(630,037)	(1,389,745)
Basic loss per share (RMB per share)	(0.14)	(0.30)

The Board did not propose any final dividends for the year ended 31 December 2025 (2024: nil).

13. PROPERTY, PLANT AND EQUIPMENT

	As at 31 December,	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment in use	20,970,352	21,568,147

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Year ended 31 December 2025					
	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						
As at 1 January of the year	23,374,476	10,659,328	9,804,938	969,966	942,772	45,751,480
Additions	735	–	224,430	1,242	375,380	601,787
Transfers	208,399	194,110	197,236	–	(599,745)	–
Disposals	(3,765)	–	(281,792)	(785)	–	(286,342)
Adjustments according to finalisation of construction account by the surveyors	13,397	(44,602)	32,242	–	–	1,037
As at 31 December of the year	23,593,242	10,808,836	9,977,054	970,423	718,407	46,067,962
Accumulated depreciation and impairment						
As at 1 January of the year	(10,543,294)	(4,706,371)	(8,216,508)	(708,224)	(8,936)	(24,183,333)
Charge for the year	(620,515)	(229,554)	(297,534)	(36,886)	–	(1,184,489)
Disposals	1,533	–	267,933	746	–	270,212
As at 31 December of the year	(11,162,276)	(4,935,925)	(8,246,109)	(744,364)	(8,936)	(25,097,610)
Carrying value						
As at 1 January of the year	12,831,182	5,952,957	1,588,430	261,742	933,836	21,568,147
As at 31 December of the year	12,430,966	5,872,911	1,730,945	226,059	709,471	20,970,352

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Year ended 31 December 2024					
	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						
As at 1 January of the year	23,399,620	10,674,673	9,837,895	990,444	1,014,055	45,916,687
Additions	42,328	–	5,618	1,078	280,377	329,401
Transfers	76,761	–	272,522	2,377	(351,660)	–
Disposals	(102,490)	–	(333,336)	(23,626)	–	(459,452)
Adjustments according to finalisation of construction account by the surveyors	(41,743)	(15,345)	22,239	(307)	–	(35,156)
As at 31 December of the year	23,374,476	10,659,328	9,804,938	969,966	942,772	45,751,480
Accumulated depreciation and impairment						
As at 1 January of the year	(10,036,160)	(4,461,267)	(8,298,337)	(693,115)	(8,936)	(23,497,815)
Charge for the year	(605,432)	(245,104)	(246,027)	(37,722)	–	(1,134,285)
Disposals	98,298	–	327,856	22,613	–	448,767
As at 31 December of the year	(10,543,294)	(4,706,371)	(8,216,508)	(708,224)	(8,936)	(24,183,333)
Carrying value						
As at 1 January of the year	13,363,460	6,213,406	1,539,558	297,329	1,005,119	22,418,872
As at 31 December of the year	12,831,182	5,952,957	1,588,430	261,742	933,836	21,568,147

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. 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:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cost	885,581	928,354
Accumulated depreciation	(506,691)	(515,740)
Carrying value	378,890	412,614

Assets used for concession business with cost and accumulated depreciation as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cost	338,855	324,141
Accumulated depreciation	(168,614)	(152,587)
Carrying value	170,241	171,554

Assets used for resources usage with cost and accumulated depreciation as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cost	361,331	369,945
Accumulated depreciation	(180,033)	(175,315)
Carrying value	181,298	194,630

As at 31 December 2025, buildings with net carrying value of RMB86,767,000 (2024: RMB90,962,000) were situated on parcels of allocated land owned by the Parent Company. Parts of these parcels of land were occupied by the Company at nil consideration.

As at 31 December 2025, taxiways, aprons and structures with an aggregate net carrying value of RMB482,012,000 (2024: RMB501,840,000) were 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 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2025, buildings and terminal with a net carrying value of RMB6,024,148,000, RMB713,097,000 and RMB333,434,000 (2024: RMB6,267,568,000, RMB742,172,000 and RMB347,139,000) were situated on parcels of land which had been acquired from the Parent Company as part of the acquisition of the Phase III Assets, the T3D Assets and the GTC Assets (note 4), respectively. As at the date of approval of these financial statements, the Parent Company is in the process of applying the relevant land use rights certificates from the Beijing Municipal Bureau of Land and Resource and transferring such land use rights certificates to the Company as part of the acquisition of the Phase III Assets, the T3D Assets and the GTC Assets by the Company.

14. LEASES

This note provides information for leases where the Company is a lessee.

(a) Right-of-use assets

	Year ended 31 December 2025					
	Leasehold lands RMB'000	Land use rights – from the government RMB'000	Buildings RMB'000	Equipment RMB'000	Vehicles RMB'000	Total RMB'000
Cost						
As at 1 January of the year	810,580	1,774,164	427,368	268,848	9,391	3,290,351
Additions	–	–	186,011	15,268	–	201,279
As at 31 December of the year	810,580	1,774,164	613,379	284,116	9,391	3,491,630
Accumulated depreciation						
As at 1 January of the year	(405,937)	(484,070)	(383,030)	(201,311)	(6,932)	(1,481,280)
Charge for the year	(70,045)	(39,501)	(84,944)	(30,223)	(1,342)	(226,055)
As at 31 December of the year	(475,982)	(523,571)	(467,974)	(231,534)	(8,274)	(1,707,335)
Carrying value						
As at 1 January of the year	404,643	1,290,094	44,338	67,537	2,459	1,809,071
As at 31 December of the year	334,598	1,250,593	145,405	52,582	1,117	1,784,295

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

14. LEASES (CONTINUED)

(a) Right-of-use assets (continued)

	Year ended 31 December 2024					
	Leasehold lands RMB'000	Land use rights – from the government RMB'000	Buildings RMB'000	Equipment RMB'000	Vehicles RMB'000	Total RMB'000
Cost						
As at 1 January of the year	810,580	1,774,164	385,575	215,788	9,391	3,195,498
Additions	–	–	41,793	53,060	–	94,853
As at 31 December of the year	810,580	1,774,164	427,368	268,848	9,391	3,290,351
Accumulated depreciation						
As at 1 January of the year	(335,892)	(444,569)	(306,053)	(159,858)	(5,590)	(1,251,962)
Charge for the year	(70,045)	(39,501)	(76,977)	(41,453)	(1,342)	(229,318)
As at 31 December of the year	(405,937)	(484,070)	(383,030)	(201,311)	(6,932)	(1,481,280)
Carrying value						
As at 1 January of the year	474,688	1,329,595	79,522	55,930	3,801	1,943,536
As at 31 December of the year	404,643	1,290,094	44,338	67,537	2,459	1,809,071

As at 31 December 2025, the land use rights with a net carrying value of RMB360,429,000, RMB378,629,000 (2024: RMB371,434,000, RMB390,190,000) were acquired from the Parent Company as part of the acquisition of the Phase III Assets, and the T3D assets (note 4), respectively. As at the date of approval of these 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 2025, the land use rights included parcels of land with net carrying value of RMB393,275,000 (2024: RMB405,284,000) were acquired from the Parent Company as part of the acquisition of the GTC assets, but the process for transfer of ownership has not yet been completed (note 4). As at the date of approval of these 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 2025

14. LEASES (CONTINUED)

(b) Lease liabilities

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current	178,614	131,051
Non-current	523,111	511,946
	701,725	642,997
	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest expense (included in finance cost) (Note 8)	30,276	28,890
Expense relating to short-term and low value leases (included in operating expenses)	26	198

The total cash outflows for leases in 2025 was RMB172,853,000 (2024: RMB236,433,000).

The Company leases various lands, offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods from 2 to 24 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Except for the land use rights from the government, other leased assets may not be used as security for borrowing purposes.

15. INVESTMENT PROPERTIES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost		
As at 1 January of the year	3,577,325	3,577,325
As at 31 December of the year	3,577,325	3,577,325
Accumulated depreciation and impairment		
As at 1 January of the year	(950,238)	(858,568)
Charge for the year	(91,670)	(91,670)
As at 31 December of the year	(1,041,908)	(950,238)
Carrying value		
As at 1 January of the year	2,627,087	2,718,757
As at 31 December of the year	2,535,417	2,627,087

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

15. INVESTMENT PROPERTIES (CONTINUED)

(i) Amounts recognised in revenue for investment properties

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Rental income	49,915	45,377
Concession income	65,824	71,388
	115,739	116,765

As at 31 December 2025, the land use rights for parcels of land with net carrying value of RMB1,426,152,000 (2024: RMB1,467,062,000) were acquired from the Parent Company as part of the acquisition of the GTC assets. As at 31 December 2025, buildings with net carrying value of RMB838,982,000 (2024: RMB873,467,000) were acquired from the Parent Company as part of the acquisition of the GTC assets, but the process for transfer of ownership has not yet been completed (note 4). As at the date of approval of these financial statements, the Parent Company is in the process of applying the relevant land use rights certificates from the Beijing Municipal Bureau of Land and Resource and transferring such land use rights certificates to the Company.

Investment properties are measured initially at cost and stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the straight-line method to write off the cost less accumulated impairment loss of the asset over its estimated useful life. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

As at 31 December 2025, the fair value of the Company's investment properties was RM2,593,190,000 (2024: RMB2,695,200,000). The fair value has been arrived at based on a valuation carried out by Beijing Huayuanlongtai Real Estate Land Assets Appraisal Co.,Ltd (2024: Beijing Huayuanlongtai Real Estate Land Assets Appraisal Co.,Ltd.), an independent professional valuer not connected with the Company.

The investment properties, mainly located in the Mainland China, are valued by the income approach by taking into account the net rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. The fair value falls into the category of fair value measurements using significant unobservable inputs (level 3) including future rental cash inflows and capitalisation rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

16. INTANGIBLE ASSETS

Intangible assets comprise software and software use rights which are amortised on a straight-line basis ranging from 5 years to 10 years respectively, and their carrying value is analysed as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Cost		
As at 1 January of the year	633,211	582,611
Additions	25,404	50,600
As at 31 December of the year	658,615	633,211
Accumulated amortisation		
As at 1 January of the year	(545,472)	(491,336)
Amortisation	(51,985)	(54,136)
As at 31 December of the year	(597,457)	(545,472)
Carrying value		
As at 1 January of the year	87,739	91,275
As at 31 December of the year	61,158	87,739

17. INVESTMENT IN AN ASSOCIATE

The Company has interests in an immaterial associate that are accounted for using the equity method.

	As at and year ended 31 December	
	2025 RMB'000	2024 RMB'000
Carrying amount of an immaterial associate	32,566	42,055
The amount of the Company's share of:		
Loss for the year	(8,931)	(3,712)
Total comprehensive expense for the year	(8,931)	(3,712)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

18. DEFERRED TAXES ASSETS/LIABILITIES

Deferred tax assets and liabilities are calculated in full on temporary differences under the liability method using a principal tax rate of 25% (2024: 25%).

The movements of the deferred tax account is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	1,331,720	2,076,363
Charged to income tax expenses	(120,938)	(760,370)
(Charged)/credited to other comprehensive income	(5,181)	15,727
At end of the year	1,205,601	1,331,720

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

Deferred tax assets	Retirement benefit obligations RMB'000	Accelerated accounting depreciation RMB'000	Provision RMB'000	Lease liabilities RMB'000	Accruals and others RMB'000	Tax losses credit RMB'000	Total RMB'000
As at 1 January 2024	72,880	18,902	125,586	188,872	766,080	1,169,593	2,341,913
(Charged)/credited to income tax expense	(7,568)	520	(12,433)	(28,123)	(215,489)	(527,537)	(790,630)
Credited to other comprehensive income	15,727	–	–	–	–	–	15,727
As at 31 December 2024	81,039	19,422	113,153	160,749	550,591	642,056	1,567,010
As at 1 January 2025	81,039	19,422	113,153	160,749	550,591	642,056	1,567,010
Credited/(charged) to income tax expense	1,127	(1,343)	21,841	14,682	76,075	(250,166)	(137,784)
Charged to other comprehensive income	(5,181)	–	–	–	–	–	(5,181)
As at 31 December 2025	76,985	18,079	134,994	175,431	626,666	391,890	1,424,045

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

18. DEFERRED TAXES ASSETS/LIABILITIES (CONTINUED)

Deferred tax liabilities	Accelerated tax depreciation RMB'000	Right of use assets RMB'000	Other temporary differences RMB'000	Total RMB'000
As at 1 January 2024	111,778	153,772	–	265,550
(Credited)/charged to income tax expense	(6,564)	(23,741)	45	(30,260)
As at 31 December 2024	105,214	130,031	45	235,290
As at 1 January 2025	105,214	130,031	45	235,290
(Credited)/charged to income tax expense	(21,261)	3,681	734	(16,846)
As at 31 December 2025	83,953	133,712	779	218,444

Deductible tax losses that are not recognised as deferred tax assets are analysed as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deductible tax losses	7,337,160	6,438,956

Deductible tax losses that are not recognised as deferred tax assets will expire in the following years:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
2026	442,742	442,742
2027	3,238,611	2,909,671
2028	3,655,807	3,086,543

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

18. DEFERRED TAXES ASSETS/LIABILITIES (CONTINUED)

Deferred 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 taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deferred tax assets	1,424,045	1,567,010
Deferred tax liabilities	(218,444)	(235,290)
	1,205,601	1,331,720

19. INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Spare parts and consumable items	178,079	190,557

(a) Assigning costs to inventories

The costs of individual items of inventories are determined using weighted average costs.

(b) Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 31 December 2025 amounted to RMB100,134,000 (2024: RMB119,553,000). These were included in cost of providing services.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

20. TRADE RECEIVABLES

	As at 31 December	
	2025 RMB'000	2024 <i>RMB'000</i>
Trade receivables from:		
– CAH's subsidiaries (<i>Note 38(a)</i>)	474,989	462,568
– third parties	1,111,048	992,123
	1,586,037	1,454,691
Less: Allowance for credit losses	(523,987)	(430,945)
	1,062,050	1,023,746

At 31 December 2025, the ageing analysis of the trade receivables based on the revenue recognition date was as follows:

	As at 31 December	
	2025 RMB'000	2024 <i>RMB'000</i>
Less than 3 months	747,416	669,373
4 – 6 months	76,012	47,726
7 – 12 months	202,030	172,797
1 – 2 years	98,764	184,264
2 – 3 years	126,101	102,057
Over 3 years	335,714	278,474
	1,586,037	1,454,691

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly within 3 months. Details of impairment assessment of trade receivables are set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

21. PREPAYMENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Prepayments		
– CAH (Note 38(a))	49,810	276,359
– third parties	17,421	24,621
	67,231	300,980
Less: Non-current portion	(49,810)	(276,773)
Total	17,421	24,207

22. OTHER FINANCIAL ASSETS AT AMORTISED COST

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Interest receivable		
– third parties	20,840	19,689
Other receivables		
– CAH's subsidiaries (Note 38(a))	13,530	4,061
– third parties	14,748	20,991
	49,118	44,741
Less: Allowance for credit losses	(2,920)	(8,598)
	46,198	36,143

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**(i) Classification of financial assets at fair value through profit or loss**

The Company classifies equity investments that are held for trading at FVTPL.

Financial assets mandatorily measured at FVTPL include the following:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current assets		
– Listed equity securities	12,468	9,530

(ii) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Fair value gains on equity investments at FVTPL	2,938	1,877

Information about the Company's exposure to price risk is provided in note 35. Information about the methods and assumptions used in determining fair value is set out in note 36.

24. OTHER CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Input VAT to be deducted	138,720	175,108
Input VAT to be verified	48,898	26,961
	187,618	202,069

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

25. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Current assets		
Deposits placed with a subsidiary of CAH (Note 38(a) and note(a))	18,699	34,137
Bank deposits	1,833,107	1,393,561
	1,851,806	1,427,698

(a) Deposits placed with a subsidiary of CAH, which is a financial institution, bear interest at prevailing market rates.

26. SHARE CAPITAL

	As at 31 December			
	2025 Number of shares'000	2024 Number of shares'000	2025 RMB'000	2024 RMB'000
Registered, issued and fully paid				
Domestic shares, RMB1.00 each	2,699,815	2,699,815	2,699,815	2,699,815
H-shares, RMB1.00 each	1,879,364	1,879,364	1,879,364	1,879,364
As at 1 January and 31 December	4,579,179	4,579,179	4,579,179	4,579,179

The domestic shares are ranked pari passu, in all material respects, with the H shares except that all dividends in respect of H Shares are declared in RMB but are paid in HK dollar. The transfer of domestic shares is subject to certain restrictions imposed by the PRC laws.

27. RESERVES

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

27. RESERVES (CONTINUED)

(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 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 recommendation of the Directors and the approval by the Annual General Meeting, 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. As at 31 December 2025, the statutory reserve balance had reached 50% of the Company's registered capital, none of the annual statutory surplus reserve has been set aside.

Pursuant to the shareholders' resolution at the Annual General Meeting on 27 June 2025: (i) no profit was appropriated to the discretionary surplus reserve fund for the year ended 31 December 2024, and (ii) discretionary surplus reserves amounting to RMB2,990,599,000 was utilised to fully offset the Company's accumulated loss as of 31 December 2023.

28. BORROWINGS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Short-term		
– Principal	7,223,611	7,500,000
– Interest payable within one year	53,441	20,864
	7,277,052	7,520,864
Long-term		
– Non-current portion	1,193,220	1,992,834
– Current portion	799,607	2,800
– Interest payable within one year	1,224	1,415
	1,994,051	1,997,049
	9,271,103	9,517,913

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

28. BORROWINGS (CONTINUED)

The movements in principal of borrowings are analysed as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Opening amount as at 1 January	9,495,634	8,558,200
Proceeds of new borrowings	7,223,611	8,500,234
Repayments of borrowings	(7,502,807)	(7,562,800)
Closing amount as at 31 December	9,216,438	9,495,634

- (a) As at 31 December 2025, bank borrowings with principal totaling RMB8,492,827,000 (2024: RMB7,995,634,000) are unsecured, repayable by instalments until 2030 and bear an average coupon of 2.05% annually (2024: 2.32% annually).

As at 31 December 2025, other borrowings from CAH's subsidiary with principal totaling RMB723,611,000 (2024: RMB1,500,000,000) are unsecured, repayable by instalments until 2026 and bear an average coupon of 1.98% annually (2024: 2.17% annually).

(b) Loan covenants

In respect of long-term bank loans with outstanding principal amount of RMB1,195,000,000 as at 31 December 2025(2024: RMB1,197,000,000), the Company is required to comply with the following financial covenants which are tested as long as the loans are outstanding:

- the total annual inflows into the fund supervision account must not be less than RMB200,000,000, and
- the account balance must not fall below RMB80,000,000 on 30 June and 31 December of each year.

The Company complied with these covenants throughout or at the end of the reporting period and classified the related bank loans balance of RMB1,193,000,000 as non-current (2024: RMB1,195,000,000) and RMB2,000,000 as current (2024: RMB2,000,000) according to the repayment schedule.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

28. BORROWINGS (CONTINUED)**(b) Loan covenants (continued)**

As at 31 December 2025, the Company's principal of borrowings are repayable as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	8,023,218	7,502,800
Between 1 and 2 years	20,012	799,834
Between 2 and 5 years	1,173,208	60,000
Over 5 years	–	1,133,000
	9,216,438	9,495,634

29. BONDS PAYABLE

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Principal amount	1,500,000	1,500,000
Bonds issuance cost	(1,565)	(1,565)
Net proceeds	1,498,435	1,498,435
Interest payable	14,587	14,587
Accumulated amortisation amounts of bonds issuance cost	1,210	688
	1,514,232	1,513,710
Less: current portion	(1,514,232)	(14,587)
Non-current portion	–	1,499,123

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

30. DEFERRED INCOME

The Company received grants from the government to subsidise all or part of the costs of construction projects or future expenses. Such grants are deferred and recognised in the statement of profit or loss and other comprehensive income over the estimated useful lives of the related fixed assets, recognised in profit or loss, or deducted against related expenses in reporting the related expenses.

31. RETIREMENT BENEFIT OBLIGATIONS

As at 31 December 2025, the retirement benefit obligations recognised in the statement of financial position are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Pension subsidies (note a)	19,787	49,114
Post-retirement medical benefits (note b)	154,389	146,311
	174,176	195,425
Less: Amounts due within one year included in current liabilities	(9,706)	(9,685)
	164,470	185,740

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Pension subsidies (note a)	2,780	(13,883)
Post-retirement medical benefits (note b)	8,912	(9,427)
Total, charged to profit or loss (Note 7, Note 8)	11,692	(23,310)
Pension subsidies (note a)	(21,456)	20,013
Post-retirement medical benefits (note b)	733	42,894
Total, charged to other comprehensive income	(20,723)	62,907

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)**(a) Pension subsidies**

The amounts recognised in the statement of financial position are determined as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Present value of the Annuity Plan	89,708	101,554
Present value of unfunded obligations	107,185	112,642
Present value of plan assets	(177,106)	(165,082)
Liability in the statement of financial position	19,787	49,114

The movements in the liability recognised in the statement of financial position is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	49,114	53,095
Cost recognised in profit and loss	2,780	(13,883)
Other comprehensive loss – actuary gain and loss	(21,456)	20,013
Contributions to fund the plan assets	(5,032)	(4,481)
Payments made in the year	(5,619)	(5,630)
At end of the year	19,787	49,114

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Service cost	1,854	(15,265)
Net interest cost	926	1,382
	2,780	(13,883)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(a) Pension subsidies (continued)

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

	As at 31 December	
	2025	2024
Discount rate	2.25%	2.00%
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 referenced to the China Life Incurrence Mortality Table (2010-2013) published by the China Insurance Regulatory commission in 2016.

Plan assets are comprised as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Pension product	134,109	126,866
Cash and cash equivalents	4,261	21,163
Bond investment	28,575	15,739
Others	10,161	1,314
Total	177,106	165,082

As at 31 December 2025 and 31 December 2024, the composition and fair value of the Company's plan assets are provided by the trustee of the Company's Annuity Plan.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)**(b) Post-retirement medical benefits**

The movements in the liability recognised in the statement of financial position is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	146,311	114,175
Cost recognised in profit and loss	8,912	(9,427)
Other comprehensive loss – actuarial gain and loss	733	42,894
Payments made in the year	(1,567)	(1,331)
At end of the year	154,389	146,311

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Service cost	6,000	(12,551)
Net interest cost	2,912	3,124
	8,912	(9,427)

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

	As at 31 December	
	2025	2024
Discount rate	2.25%	2.00%
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 referenced to the China Life Incurrence Mortality Table (2010-2013) published by the China Insurance Regulatory commission in 2016.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

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

As at 31 December 2025:

	Impact on defined benefit obligation		
	Change in assumption	Impact on change in obligation if increase in assumption	Impact on change in obligation if decrease in assumption
Discount rate	1%	Decrease by 17%	Increase by 24%

As at 31 December 2024:

	Impact on defined benefit obligation		
	Change in assumption	Impact on change in obligation if increase in assumption	Impact on change in obligation if decrease in assumption
Discount rate	1%	Decrease by 18%	Increase by 24%

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 statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis do 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) As at 31 December 2025, the present value of defined benefit obligation of pension subsidies was RMB196,893,000 and this exceeds the fair value of plan assets by RMB19,787,000, giving a funding level of 90%. The Company believes the deficit is immaterial, and will continue to make further contributions to the plan to meet future payment obligations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

31. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

(f) Expected contributions to the pension subsidies for the year ending 31 December 2026 are RMB5,000,000.

(g) The weighted average duration of the retirement benefit obligations is 25 years (2024: 26 years).

32. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current liabilities		
Trade payables		
Amounts due to related parties		
– CAH (Note 38(a))	478	1,034
– CAH's subsidiaries (Note 38(a))	1,291,666	961,317
	1,292,144	962,351
Repairs and maintenance charges payable	472,360	485,263
Accounts payable for purchases	68,138	96,970
Operating contracted services payable	176,888	155,042
Greening and environmental maintenance service payables	68,161	43,927
Others	225,691	237,229
	2,303,382	1,980,782
Advance and other payables		
Amounts due to related parties		
– CAH (Note 38(a))	99,360	85,117
– CAH's subsidiaries (Note 38(a))	48,722	46,569
	148,082	131,686
Accrued liabilities for the acquisition consideration of the GTC Assets (Note 4)	1,508,693	1,508,693
Construction payable	529,914	677,288
Deed taxes in respect of the acquisition of the Phase III Assets, the T3D Assets and the GTC Assets	465,948	465,948
Deposits received	223,183	221,900
Payroll and welfare payables	176,860	194,016
Advances from customers	47,495	98,236
Receipts on behalf of concession operators	31,633	21,142
Other tax payables	13,149	13,863
Others	25,312	14,515
	3,170,269	3,347,287
	5,473,651	5,328,069

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

32. TRADE AND OTHER PAYABLES (CONTINUED)

As at 31 December 2025, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on the transaction date was as follows:

	As at 31 December	
	2025 RMB'000	2024 <i>RMB'000</i>
Less than 3 months	558,934	586,840
4 – 6 months	341,279	52,641
7 – 12 months	360,585	185,812
Over 12 months	1,042,584	1,155,489
	2,303,382	1,980,782

33. COMMITMENTS**Capital commitments**

Capital commitments primarily refer to the construction, the software and the equipment to be installed which relate to the upgrading projects of the airport terminal, other airport facilities.

Significant capital expenditures contracted for at the end of the reporting period but not recognised as liabilities are as follows:

	As at 31 December	
	2025 RMB'000	2024 <i>RMB'000</i>
Property, plant and equipment	307,234	309,482
Intangible assets	90,598	131,833
	397,832	441,315

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

33. COMMITMENTS (CONTINUED)**Operating lease arrangements – where the Company is the lessor**

As at 31 December 2025, the future minimum lease payment receivables under non-cancellable operating leases for areas around terminals and equipment were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	473,507	537,081
Between 1 and 5 years	346,085	525,666
Over 5 years	400,815	334,927
	1,220,407	1,397,674

Concession revenue arrangements

As at 31 December 2025, the future minimum concession revenue receivable under non-cancellable agreements were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	422,404	297,515
Between 1 and 5 years	118,292	115,363
Over 5 years	43,868	36,656
	584,564	449,534

Resources usage income arrangement

As at 31 December 2025, the future minimum resources usage income under non-cancellable agreements were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	32,731	32,720
Between 1 and 5 years	2,149	34,726
	34,880	67,446

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

34. FINANCIAL INSTRUMENTS BY CATEGORY

The Company holds the following financial instruments:

Financial assets	As at 31 December	
	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost		
Cash and cash equivalents (<i>Note 25</i>)	1,851,806	1,427,698
Trade receivables (<i>Note 20</i>)	1,062,050	1,023,746
Notes receivables	15,117	15,463
Other financial assets at amortised cost (<i>Note 22</i>)	46,198	36,143
Financial assets at fair value through profit or loss (<i>Note 23</i>)	12,468	9,530
	2,987,639	2,512,580

Financial liabilities	As at 31 December	
	2025 RMB'000	2024 RMB'000
Liabilities at amortised cost		
Borrowings (<i>Note 28</i>)	9,271,103	9,517,913
Trade and other payables (<i>Note 32</i> , excluded accrued liabilities for the title change of the GTC Assets, payroll and welfare payable, advance from customers and other tax payable)	3,260,005	3,044,721
Bonds payable (<i>Note 29</i>)	1,514,232	1,513,710
Lease liabilities (<i>Note 14</i>)	701,725	642,997
	14,747,065	14,719,341

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's major financial instruments include trade receivables, other receivables, notes receivables, financial assets at FVTPL, cash and cash equivalents, borrowings, trade payables, other payables, bonds payable and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risks (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Market risk****(i) Currency risk**

The Company's businesses are principally conducted in RMB. The Company is exposed to foreign exchange risk with respect to primarily US dollar. Foreign exchange risk arises from transactions including payment of part of deposit.

The carrying amounts of the Company's major foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	As at 31 December		As at 31 December	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
USD	15,826	16,977	9,026	9,231

Sensitivity analysis

The sensitivity analysis below has been determined based on a 5% (2024: 5%) increase/decrease in RMB against USD.

	Decrease in the Company's post – tax loss/increase in the Company's equity 2025 RMB'000	Decrease in the Company's post – tax loss/increase in the Company's equity 2024 RMB'000
– if RMB strengthens against USD	255	290

The Company did not enter into any forward contract to hedge its exposure to foreign exchange risk for the year ended 31 December 2025 (2024: None).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(ii) Interest rate risk

The Company's main interest rate risk arises from borrowings and loans with variable rates, which expose the Company to cash flow interest rate risk. During 2025, the borrowings at variable rate were denominated in RMB.

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.

Sensitivity analysis

As at 31 December 2025, if the interest rate on those borrowings and loans with floating interest rates had increased/decreased by 50 basis points with all other variables held constant, post-tax loss and equity would have been higher/lower by RMB34,562,000 (2024: RMB30,546,000).

(iii) Other price risk

The Company is exposed to other price risk through its investments in financial assets measured at FVTPL (note 23).

The Company's equity investments are publicly traded on the Shanghai Stock Exchange Limited (the "Shanghai Stock Exchange") and the Shenzhen Stock Exchange Limited (the "Shenzhen Stock Exchange").

To manage its price risk arising from investments in equity securities, the Company regularly monitor the price fluctuation and market information to adjust the trading strategies. The trading strategies are decided in accordance with the investment concept of the Company.

Sensitivity analysis

As at 31 December 2025, if the equity securities price had increased/decreased by 10% with all other variables held constant, post-tax loss would have been lower/higher by RMB935,000 (2024: lower/higher by RMB715,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment

Credit risk refers to the risk that the Company's counterparties default on their contractual obligations resulting in financial losses to the Company. The Company's credit risk exposures are primarily attributable to trade receivables, notes receivables, other receivables, cash and cash equivalents. The Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of respective balances. The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Company performed impairment assessment for financial assets under ECL model. Information about the Company's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarized as below.

The Company's internal credit risk grading assessment comprises the following categories:

Cash and cash equivalents and notes receivables

The Company's deposits are all deposited in state-owned banks/financial institution and other reputable listed banks with high credit quality and notes receivables are issued from state-owned banks in the PRC. The credit quality of cash at bank and notes receivables has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past. Management considers that the credit risk associated with the deposits with banks and a financial institution and notes receivables is low and no provision was made as at 31 December 2025 (2024: Nil).

Other financial assets at amortised costs

The credit quality of other financial assets at amortised costs has been assessed with reference to historical information about the counterparties default rates. The loss allowance of other financial assets at amortised costs as at 31 December 2025 was RMB2,920,000 (2024: RMB8,598,000).

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

The expected loss rates are based on the historical credit losses and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified economic policies, macroeconomic conditions, industry risks, probabilities of default, expected operating performance of the debtors in which it sells its services as well as Gross Domestic Product, Moody's Default Trends, Moody's LGD and Broad measure of money supply to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2025 was determined as follows for trade receivables:

31 December 2025	No more than 90 days	Between 90 and 180 days	Between 180 and 270 days	Between 270 and 360 days	More than 360 days	Total RMB'000
Group 1						
Expected loss rate	0.85%	100.00%	100.00%	100.00%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	455,626	711	90	40	11,208	467,675
Loss allowance (RMB'000)	3,870	711	90	40	11,208	15,919
Group 2						
Expected loss rate	2.60%	100.00%	100.00%	100.00%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	73,786	957	11	22	6,919	81,695
Loss allowance (RMB'000)	1,915	957	11	22	6,919	9,824
Group 3						
Expected loss rate	15.86%	25.81%	43.15%	62.51%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	73,646	11,379	5,428	2,427	5,222	98,102
Loss allowance (RMB'000)	11,678	2,937	2,342	1,517	5,222	23,696
Group 4						
Expected loss rate	9.31%	27.92%	52.78%	86.33%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	52,625	23,068	1,078	33,403	3,301	113,475
Loss allowance (RMB'000)	4,901	6,441	569	28,837	3,301	44,049

As at 31 December 2025, the loss allowance of individually impaired trade receivables is determined as follows:

Individual	Trade receivables RMB'000	Expected loss rate	Loss allowance RMB'000	Reason
Trade receivables 1	441,628	48.35%	213,540	The likelihood of recovery
Trade receivables 2	272,828	59.71%	162,900	The likelihood of recovery
Trade receivables 3	81,437	30.53%	24,862	The likelihood of recovery
Others	29,197	100.00%	29,197	The likelihood of recovery
	825,090		430,499	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2024 was determined as follows for trade receivables:

31 December 2024	No more than 90 days	Between 90 and 180 days	Between 180 and 270 days	Between 270 and 360 days	More than 360 days	Total RMB'000
Group 1						
Expected loss rate	0.97%	100.00%	100.00%	100.00%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	451,701	482	112	27	14,407	466,729
Loss allowance (RMB'000)	4,373	482	112	27	14,407	19,401
Group 2						
Expected loss rate	2.78%	100.00%	100.00%	100.00%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	36,873	858	–	1	7,198	44,930
Loss allowance (RMB'000)	1,024	858	–	1	7,198	9,081
Group 3						
Expected loss rate	13.15%	21.87%	37.25%	53.08%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	53,967	8,076	31,630	7,020	5,056	105,749
Loss allowance (RMB'000)	7,099	1,766	11,782	3,726	5,056	29,429
Group 4						
Expected loss rate	8.57%	26.97%	43.66%	81.93%	100.00%	
Gross carrying amount – trade receivables (RMB'000)	27,328	10,255	71,715	83	1,749	111,130
Loss allowance (RMB'000)	2,341	2,766	31,312	68	1,749	38,236

As at 31 December 2024, the loss allowance of individually impaired trade receivables is determined as follows:

Individual	Trade receivables RMB'000	Expected loss rate	Loss allowance RMB'000	Reason
Trade receivables 1	420,781	50.94%	214,355	The likelihood of recovery
Trade receivables 2	169,236	35.04%	59,308	The likelihood of recovery
Trade receivables 3	103,639	30.83%	31,948	The likelihood of recovery
Others	32,497	89.81%	29,187	The likelihood of recovery
	726,153		334,798	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Credit risk and impairment assessment (continued)****Trade receivables (continued)**

The movements of the provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
At beginning of the year	430,945	481,638
Provision for impairment of trade receivables	110,159	29,307
Reversal of impairment of trade receivables	(17,117)	(38,054)
Receivables written off during the year as uncollectible	—	(41,946)
At end of the year	523,987	430,945

As at 31 December 2025, included in the above balance was RMB370,548,000 (2024: RMB244,839,000) related to the loss allowance recognised for credit-impaired trade receivables. During the year, there was no loss allowance on credit-impaired balance written off (2024: RMB41,946,000).

Liquidity risk

The Company adopts prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents and having available funding through short 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.

The amounts disclosed below are the contractual undiscounted cash flows of the Company's financial liabilities, which are primarily trade and other payables (excluding accrued liabilities for the title change of the GTC Assets, payroll and welfare payable, advance from customers and tax payable), borrowings, bonds payable and lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount liabilities RMB'000
As at 31 December 2025						
Trade and other payables	3,260,005	–	–	–	3,260,005	3,260,005
Short-term borrowings	7,325,542	–	–	–	7,325,542	7,277,052
Long-term Borrowings	831,233	136,469	1,145,462	–	2,113,164	1,994,051
Current portion of bonds payable	1,545,900	–	–	–	1,545,900	1,514,232
Lease liabilities	248,624	164,604	157,942	376,170	947,340	701,725
	13,211,304	301,073	1,303,404	376,170	15,191,951	14,747,065
As at 31 December 2024						
Trade and other payables	3,044,721	–	–	–	3,044,721	3,044,721
Short-term borrowings	7,594,312	–	–	–	7,594,312	7,520,864
Long-term Borrowings	49,680	837,221	152,453	1,147,811	2,187,165	1,997,049
Bonds payable	45,900	1,545,900	–	–	1,591,800	1,513,710
Lease liabilities	134,983	96,463	149,232	413,509	794,187	642,997
	10,869,596	2,479,584	301,685	1,561,320	15,212,185	14,719,341

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, return capital 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**Capital management (continued)**

The liability-to-asset ratios at 31 December 2025 and 2024 are as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Total liabilities	17,155,102	17,219,480
Total assets	30,013,295	30,675,358
Liability-to-asset ratio	57%	56%

36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**Fair values estimation**

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Financial instruments in level 1

The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to risks related to environmental, social and governance factors ("ESG risk"). These instruments are included in level 1.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)**Fair values estimation (continued)****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 which maximize the use of observable market data 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.

Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

The carrying amounts of the Company's financial assets, including cash and cash equivalents, trade receivables, notes receivables, other financial assets at amortised costs and financial liabilities, including trade and other payables (excluded accrued liabilities for the title change of the GTC Assets, payroll and welfare payable, advance from customers and other tax payable), borrowing and lease liabilities, approximate their fair values, as the impact of discounting is not significant.

The financial assets at fair value through profit or loss represented the Company's investments in equity securities of certain company listed on the Shanghai Stock Exchange or ShenZhen Stock Exchange, which are quoted in an active market and included in level 1 (Note 23).

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. Financial liabilities measured at amortized cost differ little from their fair value.

Fair value hierarchy as at 31 December 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial liabilities				
– bonds payable (fixed rate)	–	1,513,838	–	1,513,838

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial liabilities				
– bonds payable (fixed rate)	–	1,532,874	–	1,532,874

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

37. NOTES TO STATEMENT OF CASH FLOWS

(a) Cash used in operations

Reconciliation of loss before income tax to cash used in operations:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	(509,099)	(629,375)
Adjustments for:		
Depreciation of property, plant and equipment	1,184,489	1,134,285
Depreciation of right-of-use assets	226,055	229,318
Depreciation of investment properties	91,670	91,670
Amortisation of intangible assets	51,985	54,136
Impairment losses/(gains) (including reversals of impairment losses or impairment gains) on financial assets	87,364	(7,786)
Share of result of an associate	8,931	3,712
Fair value gains of financial instruments at fair value through profit or loss	(2,938)	(1,877)
Loss on disposal of property, plant and equipment	16,130	10,685
Finance income	(18,114)	(20,365)
Interest costs	282,420	299,073
Foreign exchange losses/(gains), net	156	(128)
Retirement benefit obligations	(4,364)	(39,258)
Deferred income	(1,007)	(5,913)
Others	–	(2,596)
Changes in working capital:		
Inventories	12,478	10,765
Trade receivables, prepayments, notes receivable, and other financial assets at amortised cost	(127,440)	252,496
Other current assets	14,451	(20,007)
Trade and other payables	293,783	(1,269,162)
Cash generated from operations	1,606,950	89,673

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

37. NOTES TO STATEMENT OF CASH FLOWS (CONTINUED)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the period presented.

Net debt	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	1,851,806	1,427,698
Gross debt – repayable within one year	(9,770,729)	(7,670,717)
Gross debt – repayable after one year	(1,716,331)	(4,003,903)
Net debt	(9,635,254)	(10,246,922)
Cash and cash equivalents	1,851,806	1,427,698
Gross debt – fixed interest rates	(2,215,957)	(3,507,670)
Gross debt – variable interest rates	(9,271,103)	(8,166,950)
Net debt	(9,635,254)	(10,246,922)

	Cash and cash equivalents RMB'000 Note 25	Borrowings RMB'000 Note 28	Lease RMB'000 Note 14	Bonds payable RMB'000 Note 29	Total RMB'000
As at 1 January 2024	1,281,806	(8,564,545)	(755,489)	(1,513,062)	(9,551,290)
Cash flows	145,636	(931,089)	236,235	13,062	(536,156)
New leases entered	–	–	(94,853)	–	(94,853)
Exchange adjustments	256	–	–	–	256
Other changes	–	(22,279)	(28,890)	(13,710)	(64,879)
As at 31 December 2024	1,427,698	(9,517,913)	(642,997)	(1,513,710)	(10,246,922)
As at 1 January 2025	1,427,698	(9,517,913)	(642,997)	(1,513,710)	(10,246,922)
Cash flows	424,471	301,475	172,827	13,710	912,483
New leases entered	–	–	(201,279)	–	(201,279)
Exchange adjustments	(363)	–	–	–	(363)
Other changes	–	(54,665)	(30,276)	(14,232)	(99,173)
As at 31 December 2025	1,851,806	(9,271,103)	(701,725)	(1,514,232)	(9,635,254)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

38. RELATED PARTY TRANSACTIONS

The Company is controlled by CAH. The Directors of the Company consider CAH, which is incorporated in Beijing and a PRC state-owned enterprise under the control of the CAAC, to be the ultimate holding company. In 2025, the ownership interest is 58.96% (2024: 58.96%).

CAH 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.

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

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.

(a) Balances with related parties

As at 31 December 2025, balances with related parties comprised:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables from CAH's subsidiaries (Note 20 and note i)	474,989	462,568
Prepayments to CAH (Note 21)	49,810	276,359
Other financial assets at amortised costs from CAH's subsidiaries (Note 22 and note i)	13,530	4,061
Deposits placed with a subsidiary of CAH (Note 25 and note ii)	18,699	34,137
Trade and other payables to CAH (Note 32 and note i)	99,838	86,151
Trade and other payables to CAH's subsidiaries (Note 32 and note i)	1,340,388	1,007,886
Borrowings from a subsidiary of CAH (Note 28 and note iii)	735,663	1,517,051
Lease liabilities to CAH and its subsidiaries	495,867	379,095

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

38. RELATED PARTY TRANSACTIONS (CONTINUED)**(a) Balances with related parties (continued)**

- (i) The amounts due from and to CAH and its subsidiaries are unsecured, interest free and repayable within the next twelve months.
- (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.
- (iii) Borrowings from a subsidiary of CAH are unsecured and repayable within the next twelve months. The interest rates were set at prevailing market rates.

(b) Transactions with related parties

The following transactions occurred with related parties:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Transactions with CAH and its subsidiaries		
Revenues: (note i)		
Resources usage	193,129	202,074
Rental income	102,196	122,738
Asset management	31,000	31,000
Information systems management income	16,934	17,172
Waste water treatment income	3,962	4,090
Concession revenue	2,823	2,941
Others	4,559	4,291
Finance income:		
Interest income	82	258
Expenses: (note i)		
Aviation safety and security guard services and maintenance of security equipments	811,561	830,707
Utilities and power	534,517	541,258
Maintenance services	399,827	417,820
Concession management services	273,399	274,046
Certain sanitary services, baggage cart, car park operation management services, management services, greening and environmental maintenance services, customs on-site services	174,799	199,227
Accessorial power and energy services	172,408	186,327
Commuter buses and passengers transport services	56,649	61,913
On-site joint inspection services	51,975	54,929
Airport guidance services	34,814	38,085
Canteen management and hourly charged lounge services	12,043	8,384
Baggage storage, lost and found services	7,694	7,764
General technology services	3,727	3,318
Beverage services	869	3,756
Agency services	602	1,078

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

38. RELATED PARTY TRANSACTIONS (CONTINUED)**(b) Transactions with related parties (continued)**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Others:		
Repayments of loans from CAH and its subsidiary	1,500,000	300,000
Borrowings from a subsidiary of CAH	723,611	1,500,000
Procurements of equipment and construction projects	315,300	26,539
Recognition of right-of-use assets on leased assets owned by related parties	195,534	5,162
Interest charges on borrowings from CAH and its subsidiary	24,105	17,708
Interest charges on lease liabilities to CAH and its subsidiaries	22,857	20,401

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

These transactions of revenues, expenses in nature, construction services, borrowings and recognition of right-of-use assets 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 arrangements – where the Company is the lessor**

As at 31 December 2025, the future minimum lease payment receivables under non-cancellable operating leases for buildings and equipment from CAH's subsidiaries were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	56,811	69,762
Between 1 and 5 years	53,827	4,058
	110,638	73,820

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

38. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Commitment with related parties (continued)

Resources usage income arrangement

As at 31 December 2025, the future resources usage income under non-cancellable agreements were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	32,731	32,720
Between 1 and 5 years	2,149	34,726
	34,880	67,446

Purchase of services arrangements

As at 31 December 2025, the future expense payables under non-cancellable agreements to CAH's subsidiaries were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	1,844,084	1,466,407
Between 1 and 5 years	23,981	1,428,866
	1,868,065	2,895,273

Purchase of assets arrangements

As at 31 December 2025, the future payables for purchase of assets under non-cancellable agreements to CAH were as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Purchase of assets	11,554	22,018

(d) Key management compensation

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries, allowances and other benefits	8,172	7,001

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 PRC
 Principal address of business in Hong Kong: Place, 979 King's Road, Quarry Bay, Hong Kong
 Legal Representative: Mr. Song Kun
 Joint Company: Ms. Li Bo and Ms. Liu Jiong
 Secretaries:
 Contact for the Company's investor relations: Secretariat to the Board
 Major banks: Bank of China
 Industrial and Commercial Bank of China
 Auditor: Deloitte Touche Tohmatsu
 Registered Public Interest Entity Auditors

BOARD OF DIRECTORS

Executive Directors

Song Kun (*Chairman*)
(re-designated from a Non-executive Director to an Executive Director of the Company, and elected as the Chairman on 26 June 2025)
 Wang Changyi
(resigned as the Chairman of the Board on 26 June 2025, and re-designated from an Executive Director to a Non-executive Director of the Company on the same date, and resigned as a Non-executive Director of the Company on 28 August 2025)
 Li Yongbing (*General Manager*)
(appointed as an Executive Director of the Company on 28 August 2025)
 Han Zhiliang
(resigned as the General Manager of the Company on 17 February 2025, and resigned as an Executive Director of the Company on 28 August 2025)

Non-executive Directors

Du Qiang
 Xue Rongguo
(appointed as a Non-executive Director of the Company on 28 August 2025)
 Shen Lancheng
(appointed as a Non-executive Director of the Company on 28 August 2025)
 Jia Jianqing
(resigned as a Non-executive Director of the Company on 28 August 2025)

Employee Director

Liu Jiliang
(elected as an Employee Director of the Company on 18 September 2025)

Independent Non-executive Directors

Zhang Jiali
 Stanley Hui Hon-chung
 Wang Huacheng
 Duan Donghui

COMMITTEES

Audit and Risk Management Committee

Wang Huacheng (*Chairman*)
 Zhang Jiali
 Stanley Hui Hon-chung
 Duan Donghui

Remuneration and Evaluation Committee

Stanley Hui Hon-chung (*Chairman*)
 Zhang Jiali
 Wang Huacheng
 Duan Donghui
 Shen Lancheng
(appointed as a Non-executive Director of the Company on 28 August 2025)
 Jia Jianqing
(resigned as a Non-executive Director of the Company on 28 August 2025)

COMPANY INFORMATION (Continued)

Nomination Committee

Zhang Jiali (Chairman)

Stanley Hui Hon-chung

Wang Huacheng

Duan Donghui

Song Kun

(re-designated from a Non-executive Director to an Executive Director of the Company, and was elected as the Chairman of the Board on 26 June 2025)

Wang Changyi

(resigned as the Chairman of the Board, and was re-designated from an Executive Director to a Non-executive Director of the Company on 26 June 2025, and resigned as a Non-executive Director of the Company on 28 August 2025)

Li Yongbing

(appointed as an Executive Director of the Company on 28 August 2025)

Han Zhiliang

(resigned as General Manager of the Company on 17 February 2025, and resigned as an Executive Director of the Company on 28 August 2025)

Strategy and Sustainable Development (ESG) Committee

Song Kun (Chairman)

(re-designated from a Non-executive Director to an Executive Director of the Company, and elected as the Chairman of the Board on 26 June 2025)

Wang Changyi

(resigned as the Chairman of the Board, and was re-designated from an Executive Director to a Non-executive Director of the Company on 26 June 2025, and resigned as a Non-executive Director of the Company on 28 August 2025)

Li Yongbing

(appointed as an Executive Director of the Company on 28 August 2025)

Han Zhiliang

(resigned as General Manager of the Company on 17 February 2025, and resigned as an Executive Director of the Company on 28 August 2025)

Zhang Jiali

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

Postal Code: 100621

Share Registrar and Computershare Hong Kong

Transfer Office: Investor Services Limited
Shops 1712-1716, 17/F,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

FINANCE CALENDAR OF 2025

Announcement of interim results: 28 August 2025

Announcement of annual results: 26 March 2026

SHARE INFORMATION

Stock Name: Beijing Airport

Stock Code: 00694

PRICE AND TURNOVER HISTORY

Year 2025	Price per share		Turnover of share (in million)
	High (HK\$)	Low (HK\$)	
January	2.93	2.61	105.8
February	2.98	2.71	167.5
March	3.00	2.67	208.4
April	2.92	2.41	235.3
May	2.93	2.69	162.3
June	3.01	2.69	144.6
July	3.25	2.91	229.0
August	3.16	2.92	137.8
September	2.96	2.73	265.6
October	2.90	2.75	128.4
November	2.99	2.73	144.5
December	2.91	2.60	279.7



Beijing Capital International Airport Company Limited

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

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