THE FUTURE OF EXPERIENCE

Annual Report 2025/26

香港國際機場
HONG KONG INTERNATIONAL AIRPORT

OUR VISION

To strengthen Hong Kong International Airport (HKIA) as the leading international aviation hub and a key engine for the economic growth of Hong Kong.

AIRPORT AUTHORITY HONG KONG (AAHK) is a statutory corporation wholly owned by the Hong Kong SAR Government. AAHK is responsible for the operation and development of HKIA.

OUR MISSION

To excel in the operation and development of HKIA in collaboration with our partners by:

- Upholding high standards in safety and security
- Operating efficiently with care for the environment
- Applying prudent commercial principles
- Striving to exceed customer expectations
- Valuing our people
- Fostering a culture of innovation

OUR VALUES

Commitment

Can-do Attitude & Willing to Walk the Extra Mile

Creativity

Embrace Change & Think Out of the Box

Caring

Care for People & Environment

Collaboration

Teamwork & Partnership

Continuous Improvement

Strive for Excellence & Continuous Learning

CONTENTS

HKIA FACTS*

1,905 hectares
Airport Site Area

Approximately
1,151,650 square metres
Terminal Building Area

Around
140 Airlines

More than
220 Destinations

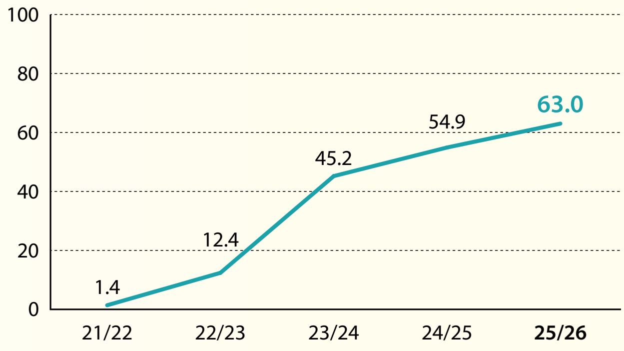
3 Runways

* as of 29 May 2026

PERFORMANCE HIGHLIGHTS

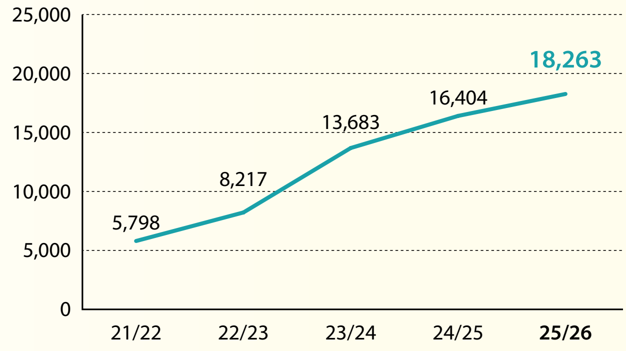
Passenger Traffic

(millions of passengers)



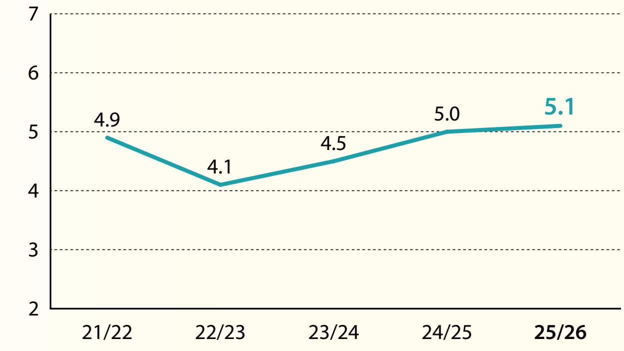
Revenue

(in HK$ million)



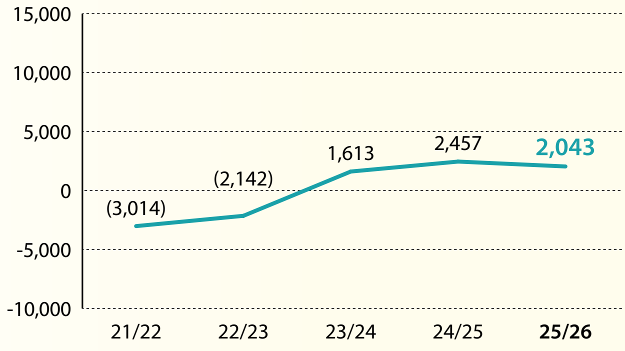
Cargo and Airmail Throughput

(millions of tonnes)



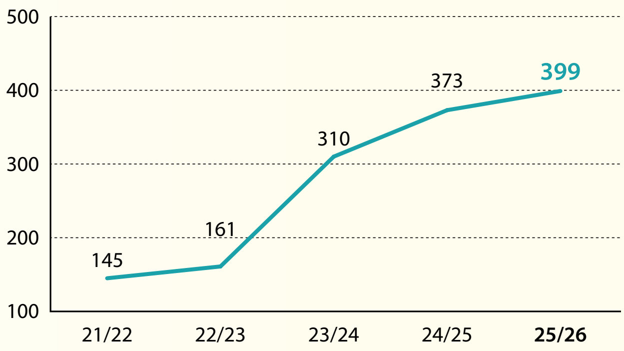
Profit/(Loss) Attributable to the Ordinary Shareholder

(in HK$ million)



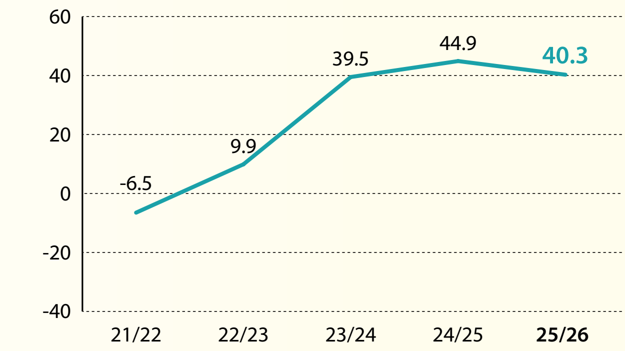
Aircraft Movements

(thousands)



Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) Margin

(in percent)



CHAIRMAN'S STATEMENT

DEAR STAKEHOLDERS,

In fiscal 2025/26, ended 31 March 2026, Hong Kong International Airport (HKIA) continued to make steady progress in strengthening its role as a leading international aviation hub, while laying the foundations for the next phase of its long-term development. In a global environment shaped by evolving travel patterns and changing trade flows, our vision and strategy have been firmly focused on leveraging the unrivalled advantages provided by "One Country, Two Systems", strengthening our capabilities, building resilience and advancing the Airport City vision to create sustained value for Hong Kong and the wider region.

ALIGNING WITH NATIONAL DEVELOPMENT PRIORITIES

The 15th Five-Year Plan, approved in March 2026, supports Hong Kong in consolidating and enhancing its status as an international aviation hub. In this national policy context, Airport Authority Hong Kong (AAHK) has focused on strengthening HKIA's capacity and long-term development, while reinforcing Hong Kong's links with the Chinese Mainland and international markets, and connecting the two sides – a unique role for which Hong Kong is ideally cut out. During the year, HKIA expanded its passenger network by adding 26 destinations, including 10 in the Chinese Mainland.

Our vision and strategy have been firmly focused on leveraging the unrivalled advantages provided by "One Country, Two Systems", strengthening our capabilities, building resilience and advancing the Airport City vision to create sustained value for Hong Kong and the wider region.

Deepening integration with the Greater Bay Area (GBA) is another aspect of our alignment with the national development strategy. In the past year, we further expanded our city terminal network in the GBA, which enables check-in and related services before passengers head to HKIA for international flights.

The launch of the "Park & Fly" service is a breakthrough for GBA connectivity. Air passengers from designated cities in Guangdong and Macao can now drive their own vehicles to the automated carparks at the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and then go directly to the boarding gates on our bonded shuttle bus. The "Park & Fly" service exemplifies our relentless drive to provide a seamless travel experience for cross-boundary passengers.

In alignment with national development priorities, we have strengthened collaboration with partners across Belt and Road markets, supporting knowledge exchange and long-term cooperation. We signed memoranda of understanding with counterparts in Central Asia at the Belt and Road Summit in Hong Kong. As China's leading hub for international passenger and cargo traffic, HKIA is in a unique position to contribute to the Belt and Road initiative.

HKIA's contribution to the national goal of deepening engagement with international markets is also notable in respect of sharing expertise and experience in the application of autonomous technologies to airport operations, a paradigm shift achieved at HKIA in collaboration with a Mainland technology company. I am most glad to see during my visits to other airports that our operations have set benchmarks and served as case studies for their launch of autonomous vehicles in live operations.

REINFORCING HKIA'S CARGO LEADERSHIP

Cargo operations continued to be a critical pillar of HKIA's strategic value, particularly in supporting Hong Kong's trade and economic development. In 2025/26, HKIA was once again recognised as the world's busiest cargo airport, reflecting the depth and resilience of its cargo ecosystem. This position is supported by sustained investment in technology, data-driven collaboration and intermodal connectivity.

The HKIA Dongguan Logistics Park embodies an innovative and effective model of collaboration among GBA cities. HKIA serves as a cargo gateway for the GBA, handling about three-quarters of the region's international air cargo. The Dongguan project has introduced a novel sea-air intermodal transhipment model that enables seamless cargo flows between the GBA and international markets via HKIA. Compared with traditional arrangements, this model reduces operating costs by about 50% and handling time by about one-third, enhancing efficiency while supporting the continued development and integration of the GBA economy. Building on the success of the pilot scheme, construction of a permanent facility in Dongguan has commenced, with full operation targeted for 2027.

ADVANCING THE AIRPORT CITY VISION

Progress on the Airport City strategy, under the SKYTOPIA brand, continued during the year. The Airport City vision is to develop the areas around HKIA into a destination that complements its core aviation functions, with SKYTOPIA as the flagship development integrating commercial, cultural and leisure offerings.

Leveraging HKIA's unique land and marine setting, together with Hong Kong's strengths as an open economy, SKYTOPIA is positioned as a regional landmark and a destination in its own right. It will support tourism and enhance Hong Kong's capacity to host international entertainment events and performances, conferences and exhibitions, among other events. Engagement with industry stakeholders and international partners during the year demonstrated extensive interest in SKYTOPIA's positioning and development plans. The Airport Bay Marina, in particular, has been well received at regional and international events.

In strategic terms, the Airport City represents an evolution of HKIA's long-term business model. Leveraging its role as a global aviation hub, HKIA is broadening value creation beyond aeronautical activities towards a more diversified platform that integrates destination experiences and high-value businesses. Through SKYTOPIA, the Airport City will strengthen economic resilience, support sustainable revenue streams and enhance Hong Kong's competitiveness as an international city.

LOOKING AHEAD

With the Three-runway System commissioned in November 2024, the progressive activation of the expanded Terminal 2, and key components of SKYTOPIA advancing, HKIA is entering a new phase of development. Guided by prudent governance, long-term planning and close alignment with national priorities and regional development, I am confident that HKIA will continue to serve Hong Kong as a resilient, competitive and future-ready international aviation hub.

I would like to thank Board Members, colleagues, our business partners and stakeholders for their continued support as we work collectively to realise HKIA's long-term vision.

Fred Lam

Fred Lam Tin-fuk
Chairman
Hong Kong, 29 May 2026

CHIEF EXECUTIVE OFFICER'S STATEMENT

With new infrastructure coming on stream, expanded connectivity, continued innovation and a growing pool of talent, HKIA is well positioned to deliver sustained value to Hong Kong while securing its position as The Hub of Asia.

DEAR STAKEHOLDERS,

Despite continued geopolitical and macroeconomic uncertainties, Hong Kong International Airport (HKIA) delivered a solid and resilient performance in the fiscal 2025/26, ended 31 March 2026. A sustained, airport-wide focus on operational excellence, safety and connectivity enabled HKIA to maintain its position as the world's busiest air cargo hub, while passenger traffic continued to grow.

All three traffic categories recorded growth compared with 2024/25. Passenger throughput increased by 14.7% to 63 million, cargo volume rose by 2.7% to 5.1 million tonnes, and flight movements grew by 7.1% to 399,450. These results reflect the continued growth of air travel demand and the benefits of long-term investment in infrastructure and network development.

(From left)

Mr Tommy Leung King-yin, Executive Director, Engineering & Technical Services

Mr Julian Lee Pui-hang, Executive Director, Finance

Mrs Vivian Cheung Kar-fay, Chief Executive Officer

Mr Steven Yiu Siu-chung, Executive Director, Airport Operations

Mr William Ho Tat, Executive Director, Corporate Development

Ms Cissy Chan Ching-sze, Executive Director, Commercial

THE HUB OF ASIA

As a leading centre for the financial services, trading and aviation, Hong Kong has long been The Hub of Asia. Facing a highly competitive environment, we have redoubled our efforts to continue expanding our air network, the foundation of our position as the leading aviation hub in Asia.

To engage global airlines, we hosted two mega aviation events during the year, namely Routes World, in Hong Kong for the first time, and Super Terminal Expo, bringing representatives of airlines and other aviation stakeholders from around the world to Hong Kong. These events added impetus to our efforts to further expand our air network and consolidate HKIA's hub position.

We now have around 140 airlines operating at HKIA. Our efforts to expand connectivity will continue, targeting both high-growth and strategic markets while leveraging our unique advantage as a gateway to the Chinese Mainland market, as well as a hub connecting the world.

ENRICHING THE TRAVEL EXPERIENCE

As we grow our business, we never lose sight of our priority of ensuring service quality. During the year, we introduced initiatives that further enhance HKIA's appeal as a welcoming and engaging first touchpoint in Hong Kong.

The new free layover tours of Hong Kong enable transit passengers to experience the city beyond the airport. At the airport, cultural workshops provide opportunities to relax and create Hong Kong-themed keepsakes. During summer, the annual HKIA Arts and Culture Festival engaged passengers with live music, dance, and digital and multimedia artworks by local artists. These initiatives enhanced the airport environment and introduced a unique cultural dimension to the passenger experience.

We also attach high importance to further enhancing the travel experience for cross-boundary transit passengers. The new Coach Hall that commenced operation in September 2025 provides integrated handling of cross-boundary coaches and limousines, with facilities for ticketing, retail and dining under one roof. Meanwhile, a new premium city terminal in Macao provides an efficient check-in service and seamless connections to HKIA and Zhuhai Airport.

Our efforts to enhance service quality and the customers experience have been recognised by multiple international accolades, including "World's Leading Airport – Customer Experience 2025" at the World Travel Awards. Locally, the airport's services and facilities received high scores in our annual public opinion survey, while AAHK was highly rated as a trustworthy, transparent and environmentally responsible organisation that performs strongly in handling emergencies.

SKYTOPIA

Our mission of delivering an unparalleled experience to travellers also underpins our vision to transform ourselves into an entertainment and tourism hub under the banner of SKYTOPIA, conceived as a world-class destination where sea, air and land converge.

During the year, a specialist operator was appointed for the SKYTOPIA Art & Valuables Storage Facility, set to open for business in 2027. The facility will form part of the future art ecosystem at SKYTOPIA, which will also include art appreciation, creative and trading activities.

Construction of AsiaWorld-Expo's 20,000-seat arena has commenced as part of a major expansion plan for the venue, with the first phase targeted for completion by the end of 2028. The state-of-the-art arena will strengthen our capacity to host world-class entertainment events. More space for exhibitions and conferences will also be added to meet rising demand.

Preparatory work has advanced for SKYTOPIA's water-themed projects, including the Airport Bay Marina, a marine resort and aquatic entertainment. With the launch of an Expression of Interest exercise in April 2026, the target is to open the first phase of the water-themed projects in 2028. Meanwhile, works for the autonomous transport system connecting SKYTOPIA with the Mass Transit Railway station in neighbouring Tung Chung has commenced, also targeting completion in 2028. That year will therefore see the completion of the first phase of key SKYTOPIA projects, marking a major milestone.

STRENGTHENING CARGO CAPABILITIES

Cargo developments during the year focused on enhancing efficiency, strengthening collaboration and supporting evolving global supply chains.

E-commerce continued to drive growth. HKIA advanced its cargo ecosystem through strategic investments in facilities and operations designed to support high-volume and time-sensitive shipments. A new UPS cargo facility reinforces HKIA's position as a leading air cargo and e-commerce fulfilment hub, with completion targeted for 2028.

Digitisation remained a key focus. The newly introduced HKIA Cargo Connect is an airport-led digital platform that enhances collaboration among airlines in respect of flight schedules, aircraft deployment and connection windows, improving efficiency and strengthening HKIA's role in facilitating the cargo value chain.

NURTURING LOCAL TALENT

People are always central to HKIA's long-term development. Through the Hong Kong International Aviation Academy (HKIAA), we have continued to develop the next generation of aviation professionals. The first cohort of cadet pilots graduated during the year, with graduates joining local airlines as second officers. The HKIAA also advanced aircraft engineering training in partnership with an international specialist organisation, with the establishment of a dedicated training centre equipped with purpose-built facilities.

DRIVING THE NEXT PHASE OF GROWTH

I would like to express my sincere appreciation to Board Members for their guidance and support, and thank our staff and business partners for their professionalism, commitment and resilience throughout 2025/26.
With new infrastructure coming on stream, expanded connectivity, continued innovation and a growing pool of talent, HKIA is well positioned to deliver sustained value to Hong Kong while securing its position as The Hub of Asia.

Vivian Cheung Kar-fay
Chief Executive Officer
Hong Kong, 29 May 2026

THE BOARD

Mr Fred Lam Tin-fuk *GBS JP* (Chairman)

Aged 67. Appointed Chairman of the Board in June 2024. Member of the World Governing Board of Airports Council International (ACI) and First Vice President of the ACI Asia-Pacific & Middle East Regional Board. Member of The University of Hong Kong Council. Independent Non-executive Director of Wing Tai Properties Limited. Independent Non-executive Director of The Hongkong and Shanghai Banking Corporation Limited. He was the Chief Executive Officer of Airport Authority Hong Kong (AAHK) from October 2014 to May 2024. Former Executive Director of the Hong Kong Trade Development Council. In 2007, Mr Lam was named "Director of the Year" by the Hong Kong Institute of Directors in the category of statutory and non-profit-distributing organisations. In 2011, he was given the Peace through Commerce Medal from the United States Government in recognition of his leadership role in boosting US exports to, and through, Hong Kong. In 2019, he was elected a Chartered Fellow of the Chartered Institute of Logistics and Transport and received the Executive Award in the DHL/SCMP Hong Kong Business Awards. In 2026, Mr Lam was conferred an Honorary Fellowship by Lingnan University in recognition of his outstanding professional achievements and valuable contributions to the community and to education.

Mrs Vivian Cheung Kar-fay (Chief Executive Officer)*

Aged 65. Appointed Chief Executive Officer in April 2025. Director of the Aviation Security Company Limited Board. Holds a Master of Business Administration from Southern Illinois University and a Bachelor of Computer Science from The State University of New York. Mrs Cheung is an alumna of Stanford University's Executive Programme. She was appointed Chief Operating Officer in December 2022 and doubled as Acting CEO from June 2024. Mrs Cheung worked for high-technology companies in New York and Silicon Valley for many years before joining AAHK in 1992. With more than 30 years of experience in airport management, she has held a number of senior management positions at AAHK. Mrs Cheung is Chairman of the Hong Kong-Zhuhai Airport Management Company Limited and First Vice President of the Hangzhou Xiaoshan International Airport Co. Ltd.

Professor Dorothy Chan Yuen Tak-fai *BBS*

Aged 76. Appointed to the Board in June 2024. Professor Chan was Deputy Commissioner for Transport of HKSAR Government from 1995 to 2002. She holds a Bachelor of Social Sciences, a Master of Social Sciences in Public Administration and a Doctor of Philosophy from The University of Hong Kong. She has served on various company boards and government committees. Professionally, she is the Hon Fellow of the Chartered Institute of Logistics and Transport and was its International President in 2013-14. Professor Chan is the Deputy Director (Administration and Resources), Head of Centre of Logistics and Transport and Advisor of the International College of the HKU School of Professional and Continuing Education. She is an Independent Non-executive Director of AMS Public Transport Holdings Limited, a Director of TWGHs E-Co Village Limited, a Strategy Advisor to AEON Delight (Asia) Limited, Chairman of the Commercial Letting Panel of the West Kowloon Cultural District Authority and a Council Member of the Chinese Occupational Education Association, the MTR Academy and the Hong Kong Institute for Public Administration.

The Honourable Mable Chan *JP* (Secretary for Transport and Logistics)*

Aged 60. Ms Chan became a Board Member in December 2024 upon her appointment as Secretary for Transport and Logistics. Ms Chan joined the Hong Kong Government as an Administrative Officer in 1989. She has served in various bureaux and departments. Her recent postings included Deputy Secretary for Financial Services and the Treasury (Treasury) from July 2012 to July 2016, Deputy Secretary for Financial Services and the Treasury (Financial Services) from August 2016 to October 2017, Commissioner for Transport from October 2017 to July 2020 and Permanent Secretary for Transport and Logistics (formerly named Permanent Secretary for Transport and Housing (Transport)) from August 2020 to December 2024.

Ms Sabrina Chao Sih-ming *BBS JP*

Aged 52. Appointed to the Board in June 2021 and reappointed in June 2024. Ms Chao is the Chairman of SeaKapital Limited and Charterhouse School (Asia) Limited and the Immediate Past President of BIMCO. Ms Chao graduated from Imperial College London with a Bachelor of Science Degree in Mathematics with Management. She is a leader in the global maritime industry. Former Chairman of the Asian Shipowners' Association and the Hong Kong Shipowners Association. Member of the Hong Kong Maritime and Port Development Board. Chairman of the Advisory Committee of the Department of Logistics and Maritime Studies at The Hong Kong Polytechnic University. Council Member of the Vocational Training Council. Council Member of the Hong Kong University of Science and Technology. Member of the HKSAR Government's Council for Carbon Neutrality and Sustainable Development.

Mr Philip Chen Nan-lok *GBS JP*

Aged 70. Appointed to the Board in June 2022 and reappointed in June 2025. Mr Chen was Chief Executive Officer of Hang Lung Group Limited and Hang Lung Properties Limited, Chairman of John Swire & Sons (China) Limited, Chief Executive of Cathay Pacific Airways Limited, Chief Executive of Hong Kong Dragon Airlines Limited, Executive Director of Swire Pacific Limited and John Swire & Sons (H.K.) Ltd. and Chairman of the Hong Kong Jockey Club. He was a Non-executive Director and is currently an Independent Non-executive Director of Hang Lung Properties Limited. Member of the Hong Kong-Japan Business Co-operation Committee, Adviser to Our Hong Kong Foundation. He is a Professor of Practice in Management and Strategy and a Member of the International Advisory Council of the Faculty of Business and Economics, as well as a Member of the Advisory Committee of Shun Hing College, The University of Hong Kong.

The Honourable Rock Chen Chung-nin *NPC Deputy SBS JP*

Aged 60. Appointed to the Board in June 2020 and reappointed in June 2023. Member of the Legislative Council representing the Election Committee Constituency. The Hon. Chen is a Founding Partner of Acuity Capital Partners (HK) Limited. He has over 30 years of experience in the financial industry and has been licensed as a Responsible Officer by the Hong Kong Securities and Futures Commission for over 15 years. He is Chairman of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications; a Member of The University of Hong Kong Council; an Independent Non-executive Director of The Bank of East Asia (China) Limited, Chu Kong Shipping Enterprises (Group) Co., Limited, Sino Land Company Limited, Sino Hotels (Holdings) Limited and Tsim Sha Tsui Properties Limited; and a Deputy to the 14th National People's Congress of the People's Republic of China. He was a Member of the 12th and 13th National Committees of the Chinese People's Political Consultative Conference. The Hon. Chen holds a Bachelor's Degree in Economics from the Wharton School, the University of Pennsylvania, and a Master's Degree in Business Administration from J.L. Kellogg Graduate School of Management, Northwestern University.

Ms Irene Chow Man-ling *JP*

Aged 56. Appointed to the Board in June 2020 and reappointed in June 2023. Director of the Aviation Security Company Limited Board. Ms Chow is a Chartered Financial Analyst. She served on The Hong Kong Polytechnic University's Council for six years, mostly involved in its Investment Committee, and as a Member of the Independent Commission Against Corruption's Advisory Committee on Corruption for six years. She is currently Member of the Standing Commission on Civil Service Salaries and Conditions of Service. Committee Member of the Chinese General Chamber of Commerce, Hong Kong. Director of DSL Investments Limited and Chow Mun Sum Tong Foundation.

THE BOARD

The Honourable Christopher Hui Ching-yu *GBS JP*

(Secretary for Financial Services and the Treasury)*

Aged 49. Became a Board Member in April 2020 upon his appointment as Secretary for Financial Services and the Treasury. Former Executive Director of the Financial Services Development Council. Chairman of the Managing Board of the Kowloon-Canton Railway Corporation and the Board of the Hong Kong Precious Metals Central Clearing Company Limited. Non-executive Director of the MTR Corporation Limited, the Mandatory Provident Fund Schemes Authority and the Hong Kong Mortgage Corporation Limited. Member of the Board of the West Kowloon Cultural District Authority. Director and the Ex-Officio Member of the Board of Financial Services Development Council. Director of Hongkong International Theme Parks Limited and Hong Kong Investment Corporation Limited.

Mrs Ann Kung Yeung Yun-chi *BBS JP*

Aged 63. Appointed to the Board in June 2024. Served as Deputy Chief Executive of the Bank of China (Hong Kong) Limited until August 2022 when she was appointed Advisor to the bank. Chairman of the HKSAR Government's Standing Committee on Directorate Salaries and Conditions of Service. Chairman of the Hospital Governing Committee of Hong Kong Children's Hospital. Non-official Member of the Public Service Commission Advisory Board and the Hong Kong Tourism Board. Non-official member of Civil Service Training Advisory Board. Steward of the Hong Kong Jockey Club, Director of the Community Chest of Hong Kong, Trustee of the Hospital Authority Charitable Foundation and Director of the BOCHK Charitable Foundation. Council Member of The Chinese University of Hong Kong and Member of the Board of Governors of Tung Wah College. Member of the Board of the Hong Kong Palace Museum Limited. Member of the General Committee of the Employers' Federation of Hong Kong and Chairman of its Banking & Financial Services Group. Independent Non-executive Director of Link Asset Management Limited and CLP Holdings Limited. Chair of the Board of Directors of MKS PAMP (Hong Kong) Limited. Mrs Kung graduated from the University of Southern California with a Bachelor of Science in Business Administration (Accounting).

Mr Laurence Li Lu-jen SC *BBS JP*

Aged 55. Appointed to the Board in June 2022 and reappointed in June 2025. Director of the Aviation Security Company Limited Board. Mr Li is a Practising Barrister, commercial litigation with focus on banking, commercial, company and securities law. Prior to being called to the Hong Kong bar, he served in several positions within the Securities and Futures Commission in Hong Kong and, before that, worked in a law firm in New York. Mr Li is a Judge in the Qatar International Court and Dispute Resolution Centre. He is also a Fellow of The Hong Kong Polytechnic University, an Honorary Fellow of the Asian Institute of International Financial Law at the University of Hong Kong, and a Senior Fellow at the Centre for Financial Regulation and Economic Development at The Chinese University of Hong Kong.

Captain Victor Liu Chi-yung *JP* (Director-General of Civil Aviation)*

Aged 60. Became a Board Member and Director of the Aviation Security Company Limited Board in April 2020 upon his appointment as Director-General of Civil Aviation. A licensed Professional Pilot and a Fellow of the Hong Kong Institution of Engineers. He was previously Chairman of the International Civil Aviation Organisation's Asia-Pacific Regional Aviation Safety Group and the Vice President (Asia) of the International Federation of Airworthiness.

Ir Dr Lo Wai-kwok *GBS MH JP*

Aged 73. Appointed to the Board in June 2019 and reappointed in June 2022 and June 2025. Chairman of the Aviation Security Company Limited Board. Chairman of the Executive Council of the Business and Professionals Alliance for Hong Kong. Founding Chairman of the Hong Kong Green Strategy Alliance. Member of the Hong Kong Housing Authority. Member of the 13th National Committee of the Chinese People's Political Consultative Conference. Member of the 5th, 6th and 7th terms of the Legislative Council of the HKSAR, representing the Engineering Functional Constituency.

Ir Edwin Tong Ka-hung *SBS*

Aged 67. Appointed to the Board in June 2021 and reappointed in June 2024. Director of the Aviation Security Company Limited Board and Member of the Construction Industry Council. Ir Tong is a Civil Engineer with over 37 years of experience in the planning, design, management and delivery of major infrastructure projects involving highways, tunnels, reclamation, land development, port facilities, wastewater treatment and flood prevention. He is also proficient in formulating and taking forward the HKSAR Government's policies in increasing land supply, heritage conservation and project management. Having worked in the Highways Department, the Transport Department, the Drainage Services Department, the Civil Engineering and Development Department and the Development Bureau, he was appointed Director of Drainage Services in 2015 and retired in 2019. Ir Tong is a Member of the Institution of Civil Engineers, a Fellow of the Hong Kong Institution of Engineers, and an Honorary Fellow of both the International Institute of Utility Specialists and The Chartered Institution of Water and Environmental Management.

Dr William Wong Ming-fung *SC BBS JP*

Aged 54. Appointed to the Board in October 2020 and reappointed in June 2023. Senior Counsel of Des Voeux Chambers. Dr Wong's practice covers a wide spectrum of contentious commercial litigation. He has a special focus and substantial experience in the areas of company, insolvency and securities law. Recorder of the Court of First Instance of the High Court of Hong Kong. Member of the Committee for the Basic Law of the HKSAR under the Standing Committee of the National People's Congress, Arbitrator of the International Centre for Settlement of Investment Disputes, Non-executive Director of the Hong Kong-Shenzhen Innovation and Technology Park Limited. Dr Wong graduated from the Business School of The Chinese University of Hong Kong in 1994 as the Rhodes Scholar of the year. In 1996, he obtained his Degree in Jurisprudence from Wadham College, Oxford. In 2004, he obtained his LL.M. Degree from Peking University. In 2012, he was awarded a Doctoral Degree from Peking University with a dissertation on corporate insolvency laws.

The Honourable Perry Yiu Pak-leung *MH JP*

Aged 52. Appointed to the Board in June 2024. Chairman of China Travel Service (Hong Kong) Limited. Member of the Legislative Council representing the Election Committee Constituency. Actively dedicated to serving the tourism industry, Mr Yiu has been committed to promoting cross-sector collaboration through initiatives like "Tourism+" and "+Tourism." He holds multiple key roles, including member of the Tourism Strategy Committee, member of the Harbourfront Commission, member of the Committee on Taxi Service Quality and observer at Board Meetings of Travel Industry Council of Hong Kong. Beyond his contributions to tourism, Mr Yiu has long been engaged in youth development and community service. He currently serves as a Council Member of The Hong Kong Polytechnic University and the Honorary Secretary-General of the Hong Kong Army Cadets Association.

Mr Stephen Yiu Kin-wah *JP*

Aged 65. Appointed to the Board in June 2023. Mr Yiu is currently the Chairman of the Insurance Authority, a Director of the Hong Kong Academy of Finance, and an Independent Non-executive Director of China Mobile Limited, ANTA Sports Products Limited and Amer Sports Inc. He is Council Member and the Treasurer of the Hong Kong University of Science and Technology, and a Member of the Exchange Fund Advisory Committee of Hong Kong Monetary Authority and the Public Service Commission. He was formerly an Independent Non-executive Director of Hong Kong Exchanges and Clearing Limited and a Member of the Independent Commission Against Corruption Complaints Committee. Mr Yiu was the Chairman and Chief Executive Officer of KPMG China and Hong Kong, a member of the Executive Committee and the Board of KPMG International and KPMG Asia Pacific. Mr Yiu also served as a Member of the Audit Profession Reform Advisory Committee and the Mainland Affairs Committee of the Hong Kong Institute of Certified Public Accountants. Mr Yiu is a Fellow Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He received a professional diploma in accountancy from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1983, and holds a Master's Degree in Business Administration from the University of Warwick in the United Kingdom.

* Member by virtue of being holder of the post

Secretary to the Board
Mrs Ivy Chan

Auditors
KPMG

EXECUTIVE MANAGEMENT

Ms Cissy Chan Ching-sze
Executive Director, Commercial

Aged 60. A Master of Business Administration graduate from The Chinese University of Hong Kong. Ms Chan was appointed in September 2012. Before joining Airport Authority Hong Kong (AAHK), Ms Chan was the Director, Retail Portfolio and Marketing, at Hysan Development Company Limited. Prior to that, she gained substantial management and commercial experience in multinational companies while holding senior positions at Reckitt Benckiser (Hong Kong and Taiwan) and Johnson & Johnson Hong Kong. Ms Chan served as a Member of the Hong Kong Housing Authority and Chairman of its Audit Subcommittee. She is the Chairman of Dongguan HKIA Logistics Park Investment (Dongguan) Co., Ltd, and a member of the Advisory Board of The Chinese University of Hong Kong MBA Programmes.

Mr William Ho Tat
Executive Director, Corporate Development

Aged 57. Holds a Bachelor of Science in Electrical and Computer Engineering from the University of Calgary. Mr Ho was appointed Executive Director, Corporate Development, in September 2025. Mr Ho is a Director of the Hong Kong-Zhuhai Airport Management Company Limited. Mr Ho has a wealth of experience in technological transformation, sales and marketing, and business development in local, Mainland and international markets. Prior to joining AAHK, he had over 30 years of experience in corporate management, including roles as Strategic Advisor at Aryaka Networks, Inc.; Chief Executive Officer, Enterprise Solutions at HKBN; CEO of SoftBank-Cohesity Asia; Senior Vice President at Arris International Limited; and senior leadership positions at Cisco Systems, Inc., Juniper Networks, Inc., Ruckus Wireless LLC and The Hong Kong Jockey Club. Mr Ho also serves on the Board of Directors of Hong Kong Applied Science and Technology Research Institute.

Mr Julian Lee Pui-hang
Executive Director, Finance

Aged 50. Mr Lee was appointed in July 2020. Before joining AAHK, Mr Lee held senior management positions in corporate finance and investment banking at Merrill Lynch (Asia Pacific) Ltd, Standard Chartered Bank (Hong Kong) Ltd and Everbright Sun Hung Kai Co. Ltd. Mr Lee is a Director of Hangzhou Xiaoshan International Airport Co. Ltd. Mr Lee is also a Deputy Chairman of the Listing Committee of the Stock Exchange of Hong Kong Limited. Mr Lee holds a Bachelor of Science in Chemical Engineering from the Massachusetts Institute of Technology.

Mr Tommy Leung King-yin
Executive Director, Engineering & Technical Services

Aged 63. Holds a Bachelor of Science in Civil Engineering from the University of Birmingham in the United Kingdom. Mr Leung was appointed Executive Director, Third Runway, in February 2022 and subsequently appointed as Executive Director, Engineering and Technical Services in October 2025. Mr Leung has held a number of senior positions since he joined AAHK in 1994, covering terminal operations, technical services, and major development projects at HKIA. He was Chief Operating Officer of the Hong Kong-Zhuhai Airport Management Company Limited from 2006 to 2009, and is currently a Director of the company. He was Deputy Director, Third Runway Project Management, from 2016 to 2022. Mr Leung is a Member of the Hong Kong Institution of Engineers.

Mr Steven Yiu Siu-chung
Executive Director, Airport Operations

Aged 61. Holds a Master of Computer Based IS from the University of Sunderland and a Bachelor of Quantity Surveying from Robert Gordon University. Mr Yiu was appointed Executive Director, Airport Operations, in December 2022. Mr Yiu has been in the aviation industry for over 30 years. He joined AAHK in 1995 and held various management positions in airport operations, including technical services, airfield and terminal management. He was General Manager, Terminal, at Shanghai Hongqiao International Airport from 2009 to 2012. He is currently Vice Chairman of the Shanghai Hong Kong Airport Management Co. Ltd. Mr Yiu is a Registered Professional Surveyor. Prior joining AAHK, he was actively involved in numerous airport developments, including the refurbishment of Kai Tak Airport, New Airport Master Plan, and construction of Macao International Airport.

EVENT HIGHLIGHTS

2025

APR

Hong Kong International Airport (HKIA) is named the world's busiest cargo airport by Airports Council International. It is the 14th time since 2010 that HKIA has earned this distinction.

Airport Authority Hong Kong (AAHK) showcases new developments and services at HKIA Reception 2025, which is held at AsiaWorld-Expo (AWE).

MAY

Hong Kong International Aviation Academy (HKIAA) and Civil Aviation Flight University of China sign an agreement that will allow students in the academy's cadet pilot programme to conduct flying training on the Chinese Mainland.

JUN

To enhance biodiversity, 60,000 fish fry and one million shrimp fry are released into the sea near HKIA. The fish include 10,000 crescent sweetlips bred under a project financed by AAHK's Fisheries Enhancement Fund, marking the first use of locally cultivated fish for release in Hong Kong in a large scale.

HKIA Cargo Connect, the world's first airport-led digital platform to promote airline partnerships, is launched.

JUL

HKIA wins "Airport of the Year – Major Cargo Hub" at the World Air Cargo Awards 2025 organised by Air Cargo Week.

AUG

Construction of AWE Phase 2 begins. A key element in the SKYTOPIA development, the project will increase the facility's exhibition space to 100,000 square metres.

AAHK launches the HKIA Net Zero Carbon Pledge website, showcasing the airport's progress towards achieving net zero carbon by 2050.

SEP

AAHK introduces free layover tours for transfer passengers to explore Hong Kong's historic neighbourhoods, iconic waterfront and beautiful countryside.

The indoor Coach Hall enters service in HKIA's newly expanded Terminal 2.

HKIA hosts Routes World, a key international conference and exhibition for airline, airport and destination decision-makers.

In cooperation with the Hong Kong and Guangdong governments, HKIA launches the Air-Land Fresh Lane, a dedicated channel that allows the rapid transhipment of perishable food from HKIA to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

OCT

AAHK and Aviation Security Company Limited jointly introduce the new HKIA Customer Service Forum at AWE.

The Transit Mail Centre at HKIA receives a "Final Gold" rating in a BEAM Plus New Buildings v2.0 assessment by the Hong Kong Green Building Council Limited.

NOV

"Park & Fly" – an innovative intermodal service that lets passengers driving from Guangdong Province and Macao use an automated car park adjacent to HKIA before flying to destinations around the world – begins operation.

DEC

HKIA is voted "World's Leading Airport – Customer Experience", "Asia's Leading Airport" and "China's Leading Airport" at the 32nd World Travel Awards.

2026

JAN

AAHK continues to enhance the airport experience by introducing daily cultural workshops for transit passengers at HKIA.

FEB

AAHK wins in the Aviation category at the Hong Kong Business Greater Bay Area Enterprise Awards 2026. The award recognises HKIA's rapidly expanding intermodal network.

HKIA and Zhuhai Airport jointly open the first city terminal in Macao to serve two airports. The premium terminal provides self-service check-in facilities, flight information and transport services to HKIA and Zhuhai Airport.

MAR

AAHK signs a contract with Eythos, a specialist art custodian, to operate the SKYTOPIA Art & Valuables Storage Facility.

PASSENGER SERVICES

In 2025/26, Hong Kong International Airport (HKIA) continued to enhance the passenger experience through the introduction of advanced digital services, improved connectivity, refreshed retail and dining offerings, more efficient baggage screening processes and ongoing initiatives to enrich the airport environment, supporting a smoother, more convenient and enjoyable journey for travellers.

PASSENGER SERVICES

The newly commissioned Coach Hall at T2 improves convenience and comfort for passengers using ground transport services.

Service Performance in 2025/26

Baggage Delivery (First Bag) [1]	99.6%
Baggage Delivery (Last Bag) [2]	99.4%
Passenger Embarkation & Disembarkation by Air Bridge	99.9%
Departures Security Screening Under Normal Circumstances [3]	99.3%
Transfer Security Screening Under Normal Circumstances [3]	99.5%

1 The target for delivery of the first bag to baggage reclaim is 20 minutes. The target for bags from aircraft at T1 Midfield Concourse (T1M) remote parking bays is 25 minutes due to the distance.

2 The target for delivery of the last bag to baggage reclaim is 40 minutes. The target for bags from aircraft at T1M remote parking bays is 45 minutes due to the distance.

3 Passengers whose queuing time at the screening channels is 4.5 minutes or less under normal circumstances.

COMMISSIONING TERMINAL 2

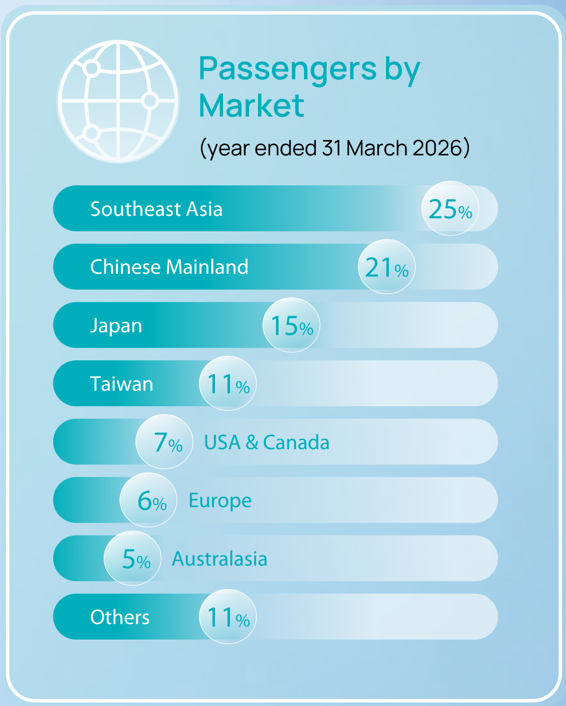
As the facilities and functions of the expanded Terminal 2 (T2) were progressively commissioned during the year, T2 began to play an increasingly important role in supporting passenger operations. In September 2025, the Coach Hall was commissioned as the first major facility under the T2 expansion. The new hall consolidates transport services previously located across different parts of the airport and provides 41 bays for cross-boundary coaches and limousines, tour buses, and crew and residents' coaches. It also houses ticketing counters, retail and food and beverage outlets, a lounge and a comfortable waiting area, improving convenience and comfort for passengers using ground transport services.

To meet the anticipated holiday demand, new passenger departure facilities at T2 opened in May 2026. Featuring advanced self-service check-in facilities, immersive LED installations and a curated mix of 20 shops with a 400-seat food hub, the new departure area offers passengers a wide range of retail, dining and entertainment options. These enhancements elevate the terminal ambience and enrich the travel experience from the point of check-in, supporting a more seamless and engaging start to passengers' journeys.

BEAUTIFYING HKIA

Since 2019, Airport Authority Hong Kong (AAHK) has been implementing a landscaping enhancement initiative to beautify key areas of the airport island. The programme adopts themed and seasonal displays to create a welcoming and visually appealing environment, enhancing the overall airport experience for passengers, visitors and staff throughout the year.

During the year, bougainvillea planting along the central divider on Airport Road was completed. Construction of the Purple Trumpet Trail, featuring 51 *Tabebuia impetiginosa* trees, was completed in phases between July and November 2025, while the Cherry Blossom Garden was extended and opened to the public with the addition of 39 new trees in January 2026. These initiatives further enhanced the visual appeal of the airport environment and contributed to a more pleasant arrival and departure experience for passengers.



The ongoing landscaping enhancement initiative continues to beautify the airport, contributing to a more pleasant arrival and departure experience for passengers.

PASSENGER SERVICES

The opening of T2 departure facilities and a new self-service area will offer passengers a refreshed and more convenient travel experience.

HARNESSING TECHNOLOGY

We continued to harness technology and innovation to make the passenger journey more convenient and efficient. In December 2025, the first phase development of the human-like customer service avatar powered by Generative Artificial Intelligence (GenAI) system was completed. Designed to handle trilingual passenger enquiries in English, Cantonese and Mandarin, the GenAI virtual assistant is now deployed on three movable displays in Terminal 1 (T1), enhancing access to travel information and customer assistance. The system will also be extended to the HKIA website, the "My HKG" app and selected social media channels in 2026/27.

To further support seamless journeys, development of a self-connecting transfer smartphone service continued. Scheduled for launch in 2027, the service will enable non-checked-through passengers to complete transfer procedures on their smartphones, streamlining the process.

In October 2025, a new electronic refund platform was launched to allow eligible passengers to apply for a refund of airport departure tax online, enhancing convenience and streamlining the refund process.

During the year, "My HKG" app was refreshed with a new user interface, real-time event notifications and a personalised recommendation engine, providing passengers with more relevant and timely information on shopping and dining options.

Installation of computed tomography-based X-ray baggage screening machines in T1 also continued. The new system improves screening efficiency and accuracy while allowing passengers to keep laptops, mobile phones, liquids, aerosols and gels in their carry-on bags, contributing to a smoother security screening experience. Airport-wide deployment is targeted for completion by 2027.

The introduction of a new electronic Air Passenger Departure Tax refund platform brings greater convenience to passengers.

In addition, Wi-Fi 7 was installed in the Departures Hall and Automated People Mover platform of T1M. Offering faster speeds, lower latency and enhanced security, Wi-Fi 7 will be available throughout T1M by June 2026, with rollout to key passenger areas across the airport by March 2028.

SHOPPING, DINING AND CULTURAL EXPERIENCES

During the year, HKIA further enhanced its shopping, dining and cultural offerings to cater to the diverse needs and interests of passengers. The overall trade mix was diversified to appeal to more passenger segments, including popular intellectual property-themed toys and "blind boxes", aspirational luxury, premium confectionery, entertainment concepts, local lifestyle souvenirs and wellness services. Mobile retail carts offering snacks and souvenirs were introduced at boarding gates to enhance shopping vibrancy and the passenger experience.

Dining options were also expanded, with more coffee shops, speciality drinks and light refreshments. The number of 24-hour food and beverage outlets increased to 12, providing passengers with more dining choices.

In July and August 2025, a terminal-wide food and beverage promotional campaign was organised to engage customers and elevate the dining experience. The initiative featured AI-generated food mascots, themed keychain giveaways and special offers.

Free Layover Tours

In September 2025, HKIA launched free layover tours exclusively for transfer passengers, offering opportunities to explore Hong Kong's culture and attractions. The initiative forms part of HKIA's wider Transfer Programme, which also introduced in-terminal cultural workshops in December 2025. The programme aims to enrich the transfer experience and encourage more passengers to transit through Hong Kong. Further enhancements to the programme, including a gamified interactive platform showcasing curated transit highlights, are planned.

The cultural workshops enrich the transfer experience and encourage more passengers to transit through Hong Kong.

PASSENGER SERVICES

Collaboration with renowned artists

Exhibition to showcase Hong Kong culture

A vibrant mix of exhibitions and performances is presented throughout the year, bringing art, culture and entertainment to passengers across the airport.

HKIA Arts & Culture Festival 2025

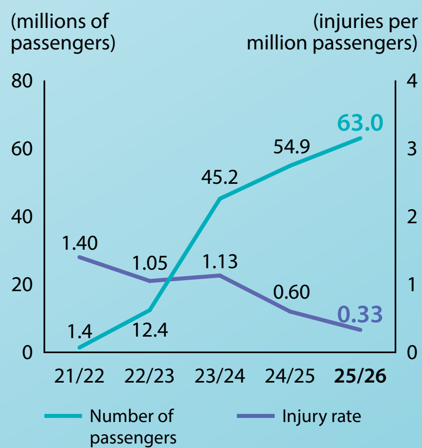
Cultural programme was also expanded during the year. In September 2025, HKIA collaborated with Hong Kong-born artist Kasing Lung to present "THE MONSTERS × Hong Kong International Airport", an exhibition showcasing the artist's popular characters, together with a limited-edition LABUBU toy available exclusively at HKIA. From December 2025 to March 2026, the Arrivals Hall of HKIA hosted the exhibition "City Reflections · Through Time and Change", recreating Hong Kong street scenes from the 1970s and offering passengers a moment of cultural reflection within the busy terminal environment.

To enhance shopping convenience, a premium personal shopper service was launched in June 2025 for affluent travellers, providing personalised support for airport service bookings, retail reservations and gift recommendations. "Collect on Return" was introduced in March 2026, allowing passengers to shop before departure and collect their purchases upon return to HKIA.

Airport Service Quality (ASQ) Survey Overall Satisfaction Score

* There were zero cases of Overall Satisfaction scoring 3 (Good) in 2025/26.

Passenger Traffic and Injury Rate



PASSENGER SERVICES

STRENGTHENING CUSTOMER SERVICE

During the year, HKIA reinforced its focus on service excellence through the establishment of the Customer Service Excellence Steering Committee, comprising senior executives from AAHK and its business partners, to provide strategic oversight of customer service initiatives across the airport.

Alongside the ongoing annual Customer Service Excellence Programme, the committee launched several initiatives, including the Serve to Lead programme, under which committee members took on customer-facing roles, as well as the inaugural HKIA Customer Service Forum and the Smile for Surprise campaign for frontline staff. Committee members also participated in airport benchmarking visits to Beijing and Singapore, supporting continuous improvement in service delivery.

HKIA's passenger services received widespread industry recognition during the year, including honours at global and regional industry awards, reflecting sustained recognition of the airport's passenger experience, service quality and terminal innovation.

DEVELOPING SKYTOPIA

During the year, HKIA continued to advance the development of SKYTOPIA, supporting its ongoing evolution beyond a global transport hub. Progress was marked by milestones that strengthen the integration of aviation functions with commercial and cultural offerings.

In August 2025, a groundbreaking ceremony was held for AsiaWorld-Expo (AWE) Phase 2, which will add a 20,000-seat indoor arena and increase AWE's total exhibition space to 100,000 square metres. In March 2026, AAHK signed a contract with Eythos, a specialist custodian of art and high-value assets, to operate the SKYTOPIA Art & Valuables Storage Facility. Scheduled to open in early 2027, the facility will provide museum-grade storage and viewing rooms, broadening SKYTOPIA's specialised commercial offerings.

Mobile retail carts are introduced at boarding gates to enhance shopping vibrancy and the passenger experience. Dining options are also expanded with more coffee shops, speciality drinks and light refreshments.

ENHANCING CONNECTIVITY

Strengthening connectivity continued to enable HKIA to better serve residents and travellers across different cities in the Greater Bay Area, providing a wider range of options to access HKIA and connect to destinations worldwide. In November 2025, the “Park & Fly” service commenced operations, allowing eligible vehicles from Guangdong Province and Macao to travel via the Hong Kong-Zhuhai-Macao Bridge (HZMB) to an automated car park adjacent to HKIA, from which passengers are connected to the SkyPier Terminal by bonded bus for onward flights to destinations worldwide.

HKIA’s city terminal network also continued to expand during the year. The number of city terminals increased to 38, with new additions including the first premium city terminal on the Chinese Mainland in Qianhai, Shenzhen, and the first premium city terminal in Macao at MGM Cotai. These terminals enhance the pre-flight experience by offering greater comfort and convenience for travellers using HKIA.

The “Park & Fly” service commences operations, allowing eligible vehicles from Guangdong and Macao to travel via the HZMB to an automated car park adjacent to HKIA for onward flights worldwide.

Passengers Using HKIA’s Cross-boundary Land and Sea Transport

24/25
1.80 Million

25/26
2.80 Million

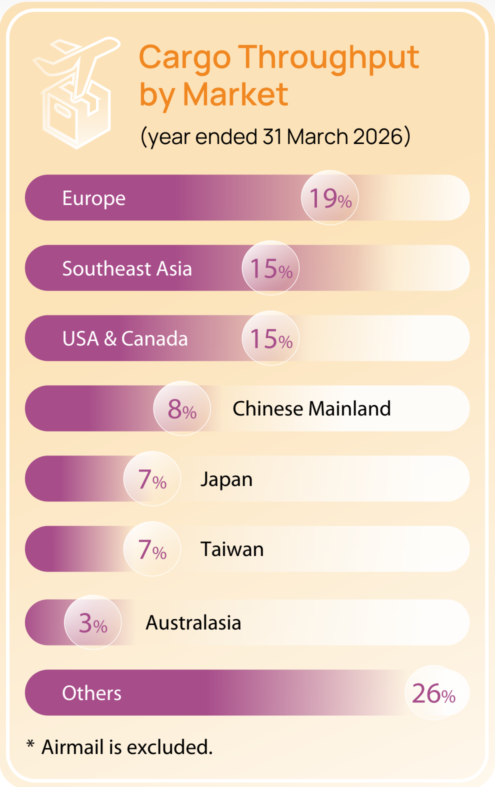
CARGO AND AVIATION SERVICES

In 2025/26, amid the continued integration of the Greater Bay Area (GBA), Hong Kong International Airport (HKIA) further strengthened its position as a global aviation and logistics hub. During the year, HKIA was once again recognised by Airports Council International (ACI) World as the world's busiest cargo airport, reflecting the resilience and competitiveness of its cargo ecosystem and its role in supporting regional and global trade flows.

STRENGTHENING OUR CARGO LEADERSHIP

Following a successful trial in April 2025, HKIA launched the Air-Land Fresh Lane in September 2025, an innovative service designed to streamline transhipments of fruits, chilled goods and live seafood into the GBA via the Hong Kong-Zhuhai-Macao Bridge. Developed in collaboration with the HKSAR Government and Guangdong Provincial People's Government, the dedicated channel enables cargo shipments to clear Chinese Mainland customs in Zhuhai in as little as three hours after arrival at HKIA, improving the efficiency and reliability of time-sensitive cargo shipments.

With the support of the Dongguan Municipal People's Government, a pilot scheme for sea-air intermodal transhipments between HKIA and Dongguan – one of the Southern China's key manufacturing centres – continued to progress during the year. The initiative enables HKIA to better serve and enhance international connectivity for major production bases in the region.



CARGO AND AVIATION SERVICES

HKIA launches the Air-Land Fresh Lane, an innovative service designed to streamline transhipments of fruits, chilled goods and live seafood into the GBA.

Throughput and market acceptance of the HKIA Dongguan Logistics Park (HKIALP) continued to grow. By the end of 2025/26, 30 airlines and 144 Hong Kong agents were using HKIALP, an increase of eight airlines and 19 agents, respectively, from the previous year. Cargo tonnage and value recorded growth of more than 90% compared with 2024/25, underscoring HKIALP's expanding role in facilitating cross-boundary logistics.

The scope of services at HKIALP was further broadened during the year. Trial imports of fruits were completed in February 2026, followed by regular shipments of chilled seafood in March, supporting the handling of a wider range of high-value and perishable cargo.

BUILDING A SMART CARGO HUB

During the year, HKIA achieved several milestones in advancing the digitalisation of cargo operations. The import module of the HKIA Cargo Data Platform was successfully implemented at all three cargo terminals, enabling end-to-end digital processing of import shipments and enhancing operational efficiency across the supply chain.

In June 2025, HKIA launched HKIA Cargo Connect, the world's first airport-led digital platform designed to facilitate airline partnerships. The platform enhances visibility and information sharing on flight schedules, connection times and operational requirements, creating new collaboration opportunities for airlines while reinforcing HKIA's position as a leading smart cargo hub.

With the vision of transforming the HKIA Cargo Data Platform into a global digital trade ecosystem, HKIA also formulated and developed two new trade finance use cases during the year through collaboration with cargo agents, traders, and banking and financial institutions. Building on an earlier engagement with the Hong Kong Monetary Authority's (HKMA) Commercial Data Interchange initiative, AAHK joined the HKMA's expert panel on Project CargoX and contributed recommendations on advancing the global digital trade ecosystem through cross-sector cooperation among cargo, banking and finance stakeholders.

The HKIA-Dongguan pilot scheme for sea-air intermodal transhipments continued to progress, better serving major production bases in the GBA.

HKIA hosts Routes World for the first time, providing an important platform to develop new air services and strengthen global aviation connectivity through Hong Kong.

NETWORK DEVELOPMENT

In September, HKIA hosted the Routes World conference and exhibition for the first time. The event attracted around 2,500 industry leaders from more than 95 countries, providing an important platform for airlines, airports and industry stakeholders to develop new air services and strengthen global aviation connectivity through Hong Kong.

The Air Network Development Programme, a three-year incentive scheme launched in June 2024, continued to support airline network growth. By the end of 2025/26, 37 carriers had increased services to 98 destinations, reinforcing HKIA's role as a key international aviation hub.

AWARDS

During the year, HKIA's cargo and aviation services received widespread industry recognition, including:

- "Best Global Airport" and "Best Airport – Asia (Over 1 million tonnes)" at the Asian Freight, Logistics and Supply China Awards 2025
- "Smart Mobility Grand Award", "Smart Mobility (Smart Logistics) Gold Award" and "Smart Mobility (Smart Logistics) Silver Award" at the Hong Kong ICT Awards 2025
- "Airport of the Year – Major Cargo Hub (more than 1 million tonnes)" at the World Air Cargo Awards 2025
- "Cargo Airport of the Year – Asia Pacific" and "Air Cargo Technology Provider of the Year" at the 12th Payload Asia Awards
- "Best Cargo Hub" Award at the Super Terminal Expo Awards.

10 Busiest Airports in 2025 – International Freight Throughput*

HKG

1. Hong Kong (HKG)

5.0 MILLION TONNES

2. Pudong (PVG)	3.3 million tonnes
3. Incheon (ICN)	2.9 million tonnes
4. Anchorage (ANC)	2.7 million tonnes
5. Miami (MIA)	2.6 million tonnes
6. Hamad (DOH)	2.6 million tonnes
7. Taoyuan (TPE)	2.5 million tonnes
8. Dubai (DXB)	2.2 million tonnes
9. Changi (SIN)	2.1 million tonnes
10. Narita (NRT)	2.0 million tonnes

* International freight throughout includes import, export and transhipment (counted twice) freight carried between the designated airport and an airport in another country.

Source: Preliminary figures from Airports Council International in April 2026.

AIRFIELD AND SYSTEMS

In 2025/26, Airport Authority Hong Kong (AAHK) continued to upgrade airport systems and advance its digitalisation and autonomous vehicle programmes, while strengthening operational resilience and efficiency across airfield and terminal operations.

AUTONOMOUS VEHICLES

AAHK continued to work closely with technology partners to expand the application of autonomous vehicles across the airport.

Development work progressed on an autonomous bonded shuttle service designed to transport passengers between the automated car park and the SkyPier Terminal. Scheduled to enter service in 2026/27, the system will be the first landside autonomous vehicle service owned and operated by AAHK and will serve as a pilot supporting future autonomous transport applications in a cross-boundary travel context.

In addition, an autonomous robot intended for airfield marking was successfully tested during the year. Subject to joint review with the Civil Aviation Department, the robot is expected to enhance efficiency and consistency in airfield maintenance operations.

AAHK continues to work closely with technology partners to expand the application of autonomous vehicles across the airport.

AIRFIELD AND SYSTEMS

Autonomous electric tractors continued to expand fleet deployment and service coverage for baggage and cargo towing operations. With the upcoming opening of the passenger departure facilities of Terminal 2 (T2) and T2 Concourse, the tractors will be further used for special out-of-gauge handling and contingency towing along routes connecting major baggage halls and terminal facilities.

DIGITALISATION AND SYSTEMS ENHANCEMENT

The Augmented Airfield Services System (AS2) is an integrated digital solution that uses predictive analytics to streamline ramp services, support collaborative decision-making and optimise resource allocation. During the year, an additional 13 Hong Kong–based airlines and ramp operators began using AS2, further extending the adoption of data-driven operations across the airfield.

Implementation of Phase 2 of the Digital Apron and Tower Management System (DATMS) was substantially completed in 2025, with the installation of eight additional cameras across the Three-runway System (3RS). The enhanced system supports real-time monitoring of the 3RS area, particularly the new North Runway and its associated taxiways, strengthening situational awareness and operational planning.

Operational efficiency was further enhanced through the application of artificial intelligence (AI). AI-based photo detection was deployed to improve smart fault-reporting accuracy, while AI solutions were also used to monitor terminal cleanliness and identify empty tubs in the Baggage Handling System, supporting more timely interventions and resource optimisation.

The DATMS is substantially completed in 2025, strengthening situational awareness and operational planning.

To improve visibility and management of arrival baggage processing, video analytics-based solutions continued to be developed. A project to monitor passenger crowding and baggage volumes at reclaim carousels is expected to be rolled out by the end of 2026. In addition, an Arrival Baggage Tracking System will be installed in mid-April 2026. A real-time visualisation dashboard tracking baggage movement from aircraft stands to Terminal 1 baggage halls is scheduled for launch by the end of April 2026.

AWARDS

During the year, AAHK's airfield and systems initiatives received wide recognition from industry bodies and professional institutions, including:

- "BIM for Smart Airport Operations Award" from Autodesk Hong Kong and Macao
- "Final Gold" rating for HKIA Tower Two and "Provisional Platinum" rating for Phase 2 of AsiaWorld-Expo under the BEAM Plus New Building V1.2 scheme
- "E-Commerce – Aviation" and "Smart Technology – Aviation" awards at the Hong Kong Business Technology Excellence Awards 2025
- "Excellence Award" in the Sustainable Carbon Neutral / Public Utility category at the CLP Smart Energy Award 2025
- "Grand Award" and a certificate of merit at the Hong Kong Institution of Engineers 50th Anniversary Legacy Award
- FTE Global Airport Pioneer Awards and FTE APAC Airport Pioneer Awards 2025
- "Best Data & AI Leader Award – Merit Award" and "Hong Kong Digital Transformation of the Year – Aviation Award"
- "Merit Award" for the Centre Runway reconfiguration works at the HKIE Civil Division Civil Engineering Excellence Award 2024/25
- "Grand Award" for Organisation (Statutory Body) at the HKIBM Award 2025 BIM Beyond Boundaries.

AAHK exchanges MoUs with Shymkent Airport in Kazakhstan and Uzbekistan Airports Joint Stock Company.

INDUSTRY COLLABORATION AND EVENTS

During the year, AAHK continued to strengthen industry collaboration and international engagement through strategic partnerships and participation in major aviation-related events.

In September 2025, at the Belt and Road Summit in Hong Kong, AAHK exchanged memoranda of understanding (MoUs) with Shymkent Airport in Kazakhstan and Uzbekistan Airports Joint Stock Company. The MoUs aim to enhance air connectivity between Hong Kong and Central Asia and to promote cooperation across various areas of aviation development, including airport operations and management.

During the year, AAHK also signed MoUs with PT Angkasa Pura Indonesia and Wuhan Tianhe International Airport. These agreements provide a framework for strengthening collaboration with counterparts in Southeast Asia and the Chinese Mainland, supporting deeper exchange of expertise and fostering connectivity and cooperation across the regional aviation network.

MAINLAND PROJECTS

In 2025/26, Airport Authority Hong Kong (AAHK) continued to contribute to the development of the Chinese Mainland's aviation industry by strengthening collaboration with airports in Zhuhai, Hangzhou and Shanghai and by supporting connectivity, operational capabilities and long-term partnership development.

ZHUHAI AIRPORT

Since 2006, AAHK has owned 55% of the joint venture that manages Zhuhai Airport. In November 2024, AAHK signed an agreement to acquire a 35% shareholding in Zhuhai Airport, and the joint venture's contract to manage the airport was extended until 2046.

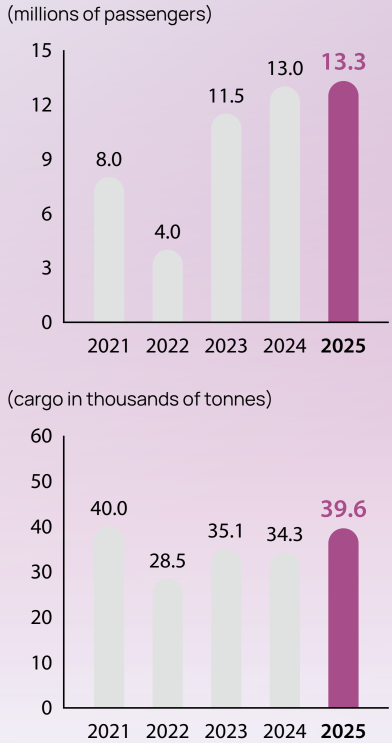
In June 2025, senior officials from AAHK, the Hong Kong-Zhuhai Airport Management Company Limited and the Zhuhai Municipal People's Government marked Zhuhai Airport's 30th anniversary, celebrating the long-standing partnership between the Zhuhai and Hong Kong airports.

In June 2025, AAHK, the Hong Kong Zhuhai Airport Management Company Limited and the Zhuhai Municipal People's Government marked Zhuhai Airport's 30th anniversary.

In the following month, AAHK signed a memorandum of understanding with Zhuhai Airport that enables the airport to draw on aircraft recovery equipment from Hong Kong International Airport (HKIA), strengthening Zhuhai Airport's operational resilience and emergency response capabilities.

In 2025, Zhuhai Airport recorded new highs in both passenger traffic and flight movements. Passenger throughput increased 2.2% to exceed 13 million, reflecting sustained travel demand from the western Pearl River Delta Area.

Throughput at Zhuhai Airport

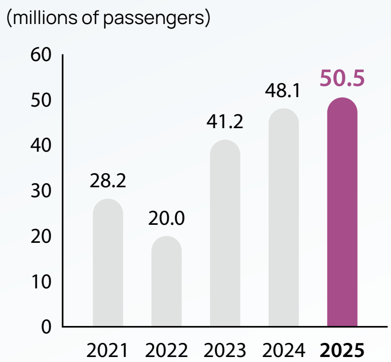


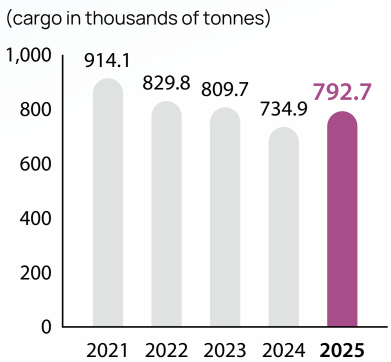
Source: Civil Aviation Administration of China

MAINLAND PROJECTS

In 2025, HXIA achieves a breakthrough performance with passenger throughput reaching 50.5 million.

Throughput at Hangzhou Xiaoshan International Airport





Source: Civil Aviation Administration of China

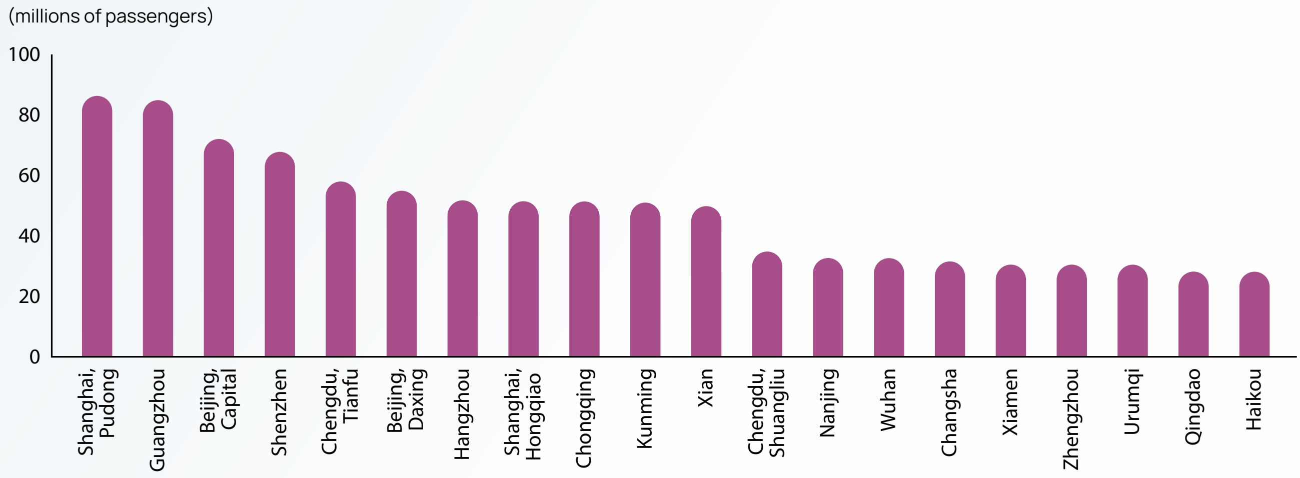
HANGZHOU XIAOSHAN INTERNATIONAL AIRPORT

AAHK has owned a 35% interest in Hangzhou Xiaoshan International Airport (HXIA) since 2006.

In 2025, HXIA achieved a record-breaking operational performance. Passenger throughput reached 50.5 million, representing a year-on-year increase of 5% and securing a historic seventh-place ranking nationwide. Cargo throughput grew 7.9% to 793,000 tonnes, while flight movements increased 2.8% to 329,000. The flight seat occupancy rate reached 89%, the highest among the top 10 Chinese Mainland airports.

HXIA also made its debut at the SKYTRAX World Airport Awards 2026, receiving multiple recognitions, including rankings for “Best Airport in China” and “Best Regional Airport in China”, as well as “Best Airport Staff in China”. The Hyatt Regency Hangzhou International Airport was also recognised among the top airport hotels in China.

Top 20 Airports in the Chinese Mainland in 2025 – Passenger Throughput



Source: Civil Aviation Administration of China

SHANGHAI HONGQIAO INTERNATIONAL AIRPORT

In 2009, AAHK and the Shanghai Airport Authority formed a joint venture, Shanghai Hong Kong Airport Management Company Limited, which manages terminal operations and retail businesses at Shanghai Hongqiao International Airport.

In 2025, Hongqiao Airport recorded new highs in passenger traffic and flight movements. Passenger throughput increased 4.6% to exceed 50 million, while flight movements rose 2.8% to 282,000, reflecting sustained demand and stable operational performance.

During the year, Hongqiao Airport received multiple industry accolades, including a five-star rating from SKYTRAX, recognition as the cleanest airport in China for the second consecutive year, the "Best Airport" award from CAPSE for the 11th consecutive year, and a full score of 5.0 in the Airport Service Quality survey conducted by Airports Council International World.

Despite a challenging economic environment, commercial operations met performance targets. Retail offerings were refreshed with the opening of 82 new stores, and the full renovation of Terminal 2's North Commercial District delivered a 13% increase in sales.

Training and staff exchange programmes also continued during the year, with staff from Hongqiao Airport undertaking training at HKIA and personnel from Hong Kong seconded to Shanghai, supporting knowledge exchange and management collaboration.

Retail offerings are refreshed in Hongqiao Airport with the opening of 82 new stores.

SUSTAINABILITY AND PEOPLE

In 2025/26, Airport Authority Hong Kong (AAHK) continued to integrate sustainability and the development of people into its operations, focusing on decarbonisation, energy efficiency, climate resilience, community engagement and talent development, while strengthening the long-term resilience and capability of the airport and its workforce.

DECARBONISATION

In 2021, AAHK together with 29 aviation-related business partners, committed to achieving net zero carbon emissions at Hong Kong International Airport (HKIA) by 2050, with a midterm target of reducing absolute emissions by 55% by 2035 from a 2018 baseline. During the year, continued progress was made in translating these commitments into measurable actions across airport operations and the wider airport community.

In July 2025, HKIA was recertified at Level 4 of the Airport Carbon Accreditation programme operated by Airports Council International (ACI) Europe and ACI World. The recertification recognised the alignment of HKIA's decarbonisation pathway with the Paris Agreement, together with progress made towards absolute emission reduction targets.

Engagement with business partners on low-carbon transition continued during the year. The first three-year HKIA Carbon Capacity Building Programme was completed, comprising 15 activities involving about 450 participants, supporting capability building across the airport community. Financing from the HKIA Greenovation Fund was approved for trials of electric and hybrid ground support equipment (GSE) and a renewable diesel pilot, facilitating practical adoption of low-carbon solutions.

To support the wider use of electric vehicles by the public and airside operators, reinforcement of charging infrastructure and power capacity progressed during the year, strengthening readiness for increased electrification as a key decarbonisation pathway for HKIA. Following several successful pilots, AAHK and ten business partners continued to ramp up usage of renewable diesel and commence new trials, supporting near-term emission reduction where electrification remains challenging. Progress also continued towards adopting renewable diesel for emergency applications.

Reinforcement of charging infrastructure and power capacity progresses during the year, strengthening readiness for increased electrification as a key decarbonisation pathway for HKIA.

AAHK and 29 business partners commit to net zero carbon emissions at HKIA by 2050.

ENERGY EFFICIENCY

During the year, advanced building analytics were applied to air handling units in Terminal 1, reducing annual energy consumption from this emission source by approximately 3.5%. Detailed designs for photovoltaic systems in five AAHK buildings were completed and an installation contract was awarded, advancing on-site renewable energy deployment.

FUTURE FUELS AND CLIMATE RESILIENCE

As part of HKIA's long-term decarbonisation strategy, renewable diesel will be supplied at a competitive price for GSE fleet aviation and emergency generators.

AAHK also continued to strengthen climate resilience during the year. A climate event feedback mechanism remained in place to capture the operational and financial impacts of extreme weather events, supporting risk management and response planning. In addition, a comprehensive assessment of the financial and strategic implications of the global transition to a low-carbon economy was completed, with recommendations provided to an executive steering committee to inform AAHK's long-term planning and decision-making processes.

Grants from the MEEF and FEF support marine ecology and fisheries research, complemented by artificial reef deployment and the release of fish and shrimp fry.

WASTE MANAGEMENT, BIODIVERSITY AND COMMUNITY ENGAGEMENT

In 2025/26, AAHK achieved its 2021 target of increasing the recovery rate of recyclables by 25% from a 2018 baseline, reflecting sustained collaboration with tenants and business partners to improve waste reduction and resource recovery.

Biodiversity and community engagement initiatives also progressed during the year. From April to June 2025, Arrivals Hall A hosted the "Treasures of the Western Waters" exhibition, raising awareness of the marine ecosystem surrounding HKIA and championing the Marine Ecology Enhancement Fund (MEEF) and Fisheries Enhancement Fund (FEF). AAHK also leveraged mass-market media and other accessible channels to promote sustainability, reaching the wider public beyond the exhibition through more relatable and everyday touchpoints. In collaboration with local designer DinDong, AAHK launched a collection of marine-themed soft toys as another public-friendly approach to promote conservation awareness, with all proceeds donated to funds supporting marine ecology enhancement and sustainable fisheries around the airport island.

During the year, the MEEF approved HK$6.4 million in grants for nine projects, while the FEF awarded HK$10 million to seven initiatives covering marine ecology, fisheries enhancement and applied research. The artificial reef deployment programme was completed, and fish and shrimp fry were released into nearby waters. Engagement activities also included 38 eco-tours for stakeholders and students, as well as a workshop addressing the risks of illegal wildlife trafficking at HKIA.

Awareness of the marine ecosystem surrounding HKIA is raised through various activities.

SUSTAINABILITY AND PEOPLE

AWARDS

During the year, AAHK's sustainability initiatives received industry recognition, including:

- "Gold Award – Public and Community Services" at the 2024 Hong Kong Awards for Environmental Excellence
- Gold in the Over 38 Million Passengers per Annum category at the ACI Asia-Pacific & Middle East Green Airports Recognition 2025
- "Best ESG and Dual Carbon Practice Award" at the 2025 International ESG Annual Awards of Hong Kong
- "Special Citation on Green Financing" in the New Buildings category, Completed Projects – Institutional, of the Green Building Award 2025
- "Sustainable Carbon Neutral Award – Excellence Award" in the Public Utility category at the CLP Smart Energy Award 2025
- Multiple accolades at the Outstanding ESG Enterprises Recognition Scheme 2025
- "Outstanding Award for Excellent ESG Disclosure Contribution" at the Hong Kong Green and Sustainable Finance Awards 2025.

TALENT ACQUISITION

In 2025/26, four job fairs of varying scales were organised to support recruitment across the airport community. In collaboration with industry unions, two district job fairs were organised in Tuen Mun and To Kwa Wan in July and August 2025, respectively, each featuring 15 exhibitors. Airport Youth Career Day, held in December 2025, brought together over 25 exhibitors to showcase job vacancies and share industry trends at HKIA, attracting approximately 4,000 visitors over the two-day event.

The EXTRA MILE community investment project, launched in partnership with business partners within the airport community and non-governmental organisations, continued to provide job placement opportunities, training, engagement activities and support services. The programmes target local youth, non-Chinese speakers and airport staff with children, supporting attraction, development and retention of talent for the airport community.

To promote the aviation industry and support recruitment, a centralised online platform – HKIA Career Page – was developed in collaboration with Jobsdb.com. The platform serves as a one-stop hub offering job listings and application services, job fair information, market updates, and career advice and prospects.

Job fairs of various scales are hosted to facilitate airport community recruitment.

Various wellness and engagement initiatives drive staff well-being.

STAFF DEVELOPMENT AND RECRUITMENT

During the year, staff development initiatives focused on strengthening digital capability, collaboration and organisational effectiveness. Organisation-wide adoption of artificial intelligence (AI) was supported by structured training, a generative AI learning portal and targeted learning activities, enabling staff to apply digital tools more effectively in their daily work.

The Young Executives Committee was established to provide a structured platform for engaging and developing high-potential young professionals across AAHK. Through cross-functional collaboration, dialogue with senior management and participation in strategic initiatives, the committee supports leadership pipeline development, succession planning and contributions from the next generation of leaders.

Launched in October 2025, the AAHK Corporate Learning Curriculum offers training programmes delivered by Band 7 staff to Band 1–6 colleagues. By sharing the why, how and what behind their work and decision-making, the programme promotes cross-functional understanding and idea exchange, with impressive participation and consistently positive feedback.

In addition, a new "Staff Talk Series" – "National Study Series" – was introduced to enhance staff understanding of the Chinese Mainland and its relevance to Hong Kong through thematic sharing on national development topics. An e-learning course on the Hong Kong National Security Law was also introduced and incorporated into onboarding materials for new joiners.

Additional training initiatives included the "Design Thinking Workshop" and ongoing knowledge-sharing sessions under the "Business Series" and "Lunch & Learn" banners. Recruitment and talent pipeline development remained active through large career events and targeted programmes, including a management trainee programme, a graduate engineer programme and a summer internship programme. To nurture functional expertise, AAHK implemented function-specific trainee schemes, including an information technology trainee programme and a superintendent trainee programme, and launched a treasury associate programme. Talent sourcing was further expanded to non-local students, including those from the Chinese Mainland, through the Vocational Professional Admission Scheme and partnerships with universities and tertiary institutions.

The HKIA Community Lodge supports accommodation needs for students, interns and visiting teaching staff at HKIAA and other airport workers.

STAFF ENGAGEMENT AND WELL-BEING

AAHK continued to enhance staff engagement and well-being through communication, wellness and community-building initiatives. Town hall meeting and management dialogue sessions supported organisational alignment, while peer engagement activities fostered cross-departmental interaction.

To support employees in balancing work and childcare responsibilities, the Early Parenthood Support Programme was introduced in January 2026. The programme provides flexible work arrangements through three options: parental sabbatical leave, part-time work sharing and hybrid work arrangements.

The employee experience was further enhanced through human resources digitalisation. During the year, employee self-service functions were expanded to improve accessibility, efficiency and the user experience. In support of a paperless office, electronic job movement letters were fully launched, reinforcing efficient and sustainable digital practices.

"Lunch & Mingle with Peers" sessions continued to provide an informal platform for frontline and mid-level staff to connect across roles and departments. Close to 220 sessions were held during the year, engaging over 2,150 staff members.

The Work Improvement Team (WIT) programme continued to promote continuous improvement and knowledge sharing, with participation from 20 teams across 11 departments, including cross-departmental teams for the first time. The programme was extended to AAHK's subsidiaries, with AsiaWorld-Expo participating in the WIT Awards and Aviation Security Company Limited (AVSECO) showcasing an improvement project at the 2025/26 AAHK WIT Convention.

Staff appreciation and well-being were further strengthened through the Staff Recognition Programme, which adopted a three-tier recognition framework and introduced a director award at the divisional level. Wellness Week 2025 promoted physical, mental and social well-being and culminated in "Bring Your Family & Friends to Work Day". Festive celebrations, flagship AA Staff Club events, the Airport Community Christmas Bazaar and the Chinese New Year Market attracted widespread participation and contributed to a vibrant airport community.

The soft opening of the HKIA Community Lodge in Tsing Yi in December 2025 supported the accommodation needs of students, interns and visiting teaching staff at Hong Kong International Aviation Academy (HKIAA) and other airport workers.

HKIAA expands its training portfolio and achieves milestones in youth internships, cadet pilot and unmanned aircraft programmes to support aviation talent development.

AAHK's people development and engagement efforts were recognised at the HR Excellence Awards 2025/26 organised by the Hong Kong Institute of Human Resource Management. AAHK received the "Grand Award of Employee Experience – Merit Award (Bronze Award)", the "Management Trainee Programme Award – Excellent Award (Gold Award)" and the "HR Analytics Award – Excellent Award (Gold Award)", recognising effective use of data analytics to enhance workforce management, efficiency and decision-making. In addition, AAHK's environmental, social and governance (ESG) initiatives were also being recognised at the Employee Experience Awards organised by the Human Resources Online, where AAHK was awarded the Best ESG Strategy – Gold Award.

HONG KONG INTERNATIONAL AVIATION ACADEMY

HKIAA continued to strengthen its role in aviation talent development in 2025/26. During the year, HKIAA expanded its academic and professional training portfolio through new programmes and partnerships. HKIAA delivered training to airports on the Chinese Mainland and overseas airports, enhanced technical training capacity through the introduction of new courses and achieved milestones in youth internships, cadet pilot training and unmanned aircraft training, supporting long-term workforce development across the aviation sector.

LOOKING FORWARD

Looking ahead, 2026/27 will mark a significant phase in the continued development of Hong Kong International Airport (HKIA), as a number of major projects transition from construction and preparation into staged commissioning and operation. Building on the progress achieved in recent years, priorities will focus on delivering additional capacity, enhancing connectivity and progressively realising the Airport City vision, while reinforcing HKIA's role as a leading international aviation hub.

TERMINAL 2

Following the commissioning of passenger departure facilities at the expanded Terminal 2 (T2) in May 2026, additional passenger-facing offerings are scheduled to enter service from the second half of 2026 onwards. Alongside expanded departure and processing areas designed to support greater adoption of smart self-service solutions and a curated visual art experience in T2, development of the T2 Concourse will continue to progress.

As facilities are commissioned, T2 is expected to play an increasingly important role in supporting passenger throughput and operational flexibility. The terminal will also host a range of passenger-oriented activities and experiences, enriching the airport journey beyond core processing functions and enhancing the overall travel experience.

The commissioning of T2 facilities will boost passenger throughput and operational flexibility while enriching the overall travel experience through passenger-oriented activities.

LOOKING FORWARD

SKYTOPIA

Standing at the heart of the Airport City blueprint, SKYTOPIA will enter its next stage of development as commissioning of key components commences from 2026/27. Designed to integrate aviation, commercial activities, culture and leisure, SKYTOPIA will be delivered progressively to align with market readiness and traffic demand.

Construction of AsiaWorld-Expo (AWE) Phase 2 is progressing and superstructure works will commence in mid-2026. The expansion, which includes 34,500 square metres of additional exhibition space and a 20,000-seat multipurpose indoor arena, is scheduled to enter service by the end of 2028, strengthening Hong Kong's capacity to host large entertainment, sports and trade events.

Specialist facilities within SKYTOPIA will also advance towards operation. The Art & Valuables Storage Facility, scheduled to open in early 2027, will broaden the Airport City's portfolio of premium offerings by supporting demand for secure and professional storage and viewing of high-value assets. In addition, preparatory work for the Yacht Bay has progressed. From April 2026, AAHK would invite expressions of interest from global investors and partners for the development of the Yacht Bay, marking another important milestone in the delivery of SKYTOPIA and underscoring the Airport City's positioning in attracting high-end leisure and marine-related activities.

Placemaking and connectivity will remain central to SKYTOPIA's development. Public spaces including the Piazza and Promenade, together with associated pedestrian connections, are scheduled to be commissioned in phases between 2027 and 2029, further integrating SKYTOPIA with the wider airport environment.

AUTONOMOUS TRANSPORT

Autonomous transport systems will become an increasingly integral part of the airport and Airport City connectivity. The Airportcity Link, Hong Kong's first autonomous mass transportation system, is scheduled to open in 2026/27. Connecting HKIA, SKYTOPIA and the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Port via a dedicated vehicular bridge with an integrated pedestrian walkway, the system will enhance access from the Greater Bay Area (GBA) and support convenient passenger movement.

Standing at the heart of the Airport City blueprint, SKYTOPIA will enter its next stage of development as commissioning of key components commences from 2026/27.

The new United Parcel Service (UPS) cargo hub will further reinforce HKIA's position as a leading global air cargo and e-commerce hub, supporting Hong Kong's economic development.

Further ahead, the 3.8-kilometre Airport Tung Chung Link (ATCL) is scheduled to open in 2028/29. Linking SKYTOPIA with Tung Chung town centre in 8 to 10 minutes, the ATCL will strengthen connectivity between the airport, neighbouring communities and adjacent commercial and hotel developments.

AUTOMATED CAR PARKS

Building on the "Park & Fly" service, automated parking-based travel services will continue to facilitate self-driving journeys to Hong Kong. Planned for launch in 2026/27, the "Park & Visit" service will allow travellers arriving by car via the HZMB to park at designated facilities and conveniently visit SKYTOPIA or connect to public transport for onward travel to other destinations across Hong Kong.

CARGO AND LOGISTICS FACILITIES

Development of major cargo and logistics infrastructure will continue to support HKIA's role as a global air cargo hub. Phase 1 of the HKIA Dongguan Logistics Park, with an annual handling capacity of 1 million tonnes, is scheduled to be fully operational in 2027, enabling HKIA to better serve the GBA international air cargo demands.

The airside intermodal cargo pier and transhipment handling facility is expected to be completed in phases starting from 2026/27, enhancing efficiency for sea-air and air-air cargo flows.

Looking further ahead, the new UPS cargo hub, scheduled to open in 2028 with an annual handling capacity of nearly 1 million tonnes, will further reinforce HKIA's position as a leading global air cargo and e-commerce hub and support Hong Kong's economic development.

PRECIOUS METALS DEPOSITORY

Following completion of the first phase of its expansion, the Precious Metals Depository is expanding its storage capacity to 1,000 tonnes by 2028. The expansion will reinforce HKIA's role in handling high-value cargo and support Hong Kong's position as an international financial and trading centre.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	2025/26	2024/25	+/- %
Financial results			
(in HK$ million)			
Revenue	**18,263**	16,404	+11.3%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**7,368**	7,365	–
Depreciation and amortisation	**(4,198)**	(4,020)	+4.4%
Net interest and finance (costs)/income	**(351)**	189	n/m
Profit attributable to the ordinary shareholder	**2,043**	2,457	-16.8%
Dividend declared	**500**	1,300	-61.5%
Financial position and ratios			
(in HK$ million)			
Total assets	**260,638**	280,839	-7.2%
Total borrowings	**144,140**	162,163	-11.1%
Total equity	**91,614**	92,090	-0.5%
EBITDA Margin	**40.3%**	44.9%	
Total debt/capital ratio [1]	**61%**	64%	
Net debt/net capital ratio [2]	**57%**	54%	
Credit ratings			
S&P Global Ratings:			
Long-term local currency	**AA+**	AA+	
Long-term foreign currency	**AA+**	AA+	
Operational highlights [3]			
Passenger traffic [4] *(millions of passengers)*	**63.0**	54.9	+14.7%
Cargo and airmail throughput [5] *(millions of tonnes)*	**5.1**	5.0	+2.7%
Aircraft movements *(thousands)*	**399**	373	+7.1%

1 Total debt represents interest-bearing borrowings. Total capital represents total debt plus total equity.

2 Net debt represents total debt minus cash and bank balances. Net capital represents total capital minus cash and bank balances.

3 Operational highlights is based on Airport Authority Hong Kong's data for Hong Kong International Airport only.

4 Passenger traffic includes originating, terminating, transfer and transit passengers. Transfer and transit passengers are counted twice.

5 Cargo throughput includes originating, terminating and transhipment cargo. Transhipment cargo is counted twice. Airmail throughput includes airmail from Hongkong Post and transit mail from airlines.

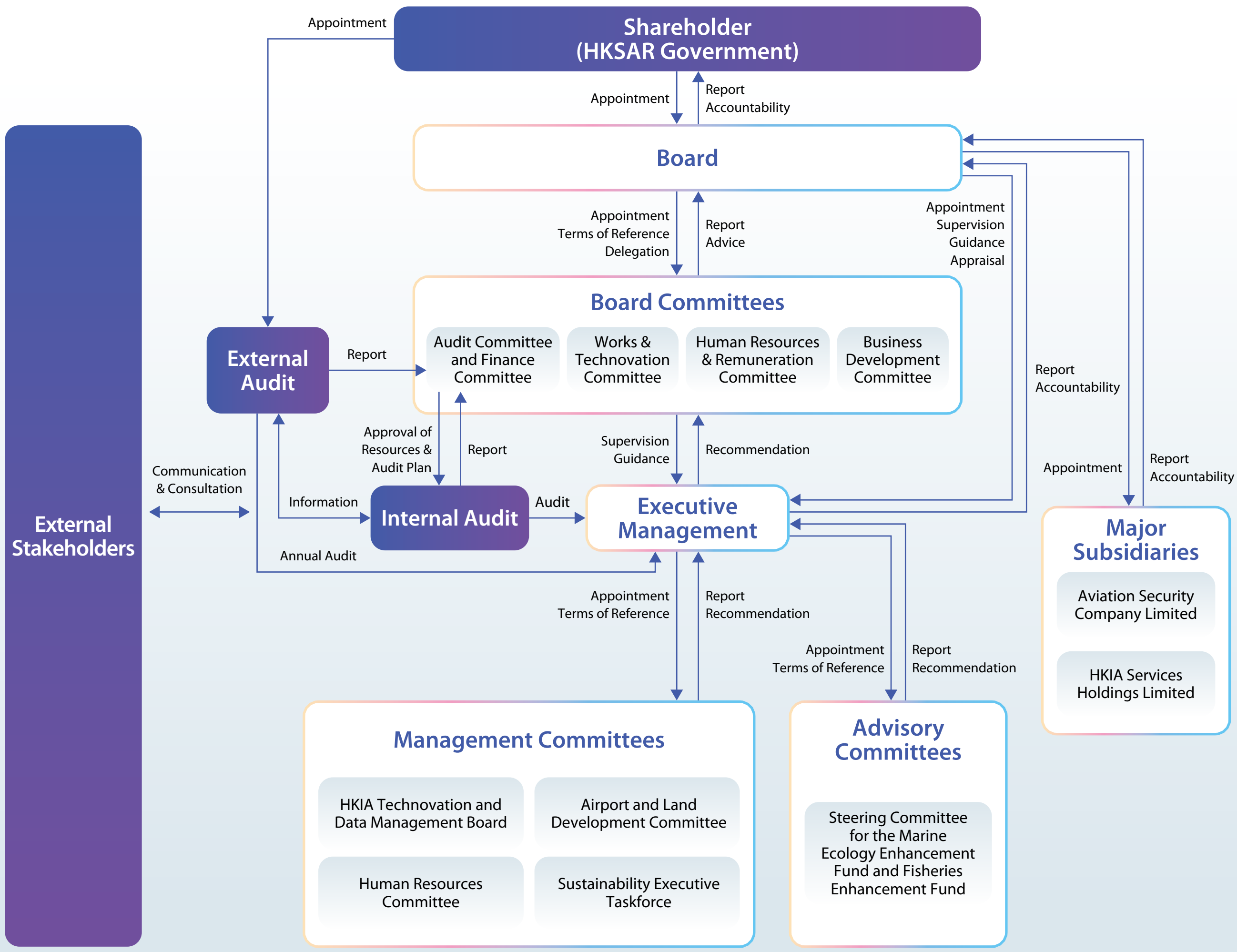
n/m: Not meaningful

CORPORATE GOVERNANCE

Airport Authority Hong Kong (AAHK) is firmly committed to maintaining high standards of corporate governance. A sound and effective governance framework is considered essential to meeting the needs of stakeholders and supporting long-term sustainable growth. AAHK strives to achieve this by instilling a culture of accountability, transparency and diversity that permeates all levels of the organisation. Where applicable, the principles of good governance, and the policies and practices adopted by AAHK at the Group level, are applied at the subsidiary level.

Key features of the AAHK corporate governance framework are described below:

CORPORATE GOVERNANCE STRUCTURE



THE BOARD

The Board has responsibility for the leadership, control and performance of AAHK. Each Board Member has a duty to act in good faith and in the best interests of AAHK. He or she is also expected to devote sufficient time attending to the affairs of AAHK to ensure the effective discharge of his or her duties.

Board Structure

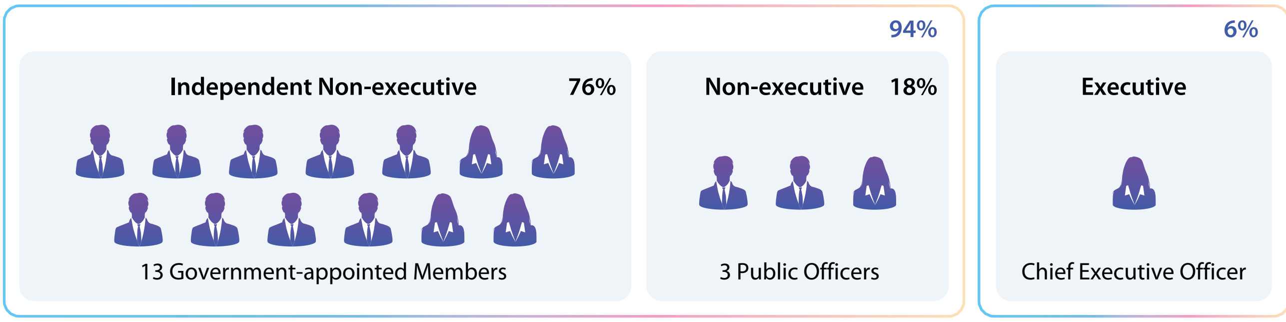
The Airport Authority Ordinance (Cap. 483) (the Ordinance) provides that the Board shall comprise a Chairman, a Chief Executive Officer (CEO) (ex officio) and between eight and 15 other Members. The number of Members who are public officers shall not exceed those who are not public officers. This structure effectively ensures the Board comprises a majority of independent members and is conducive to maintaining an independent and objective decision-making process.

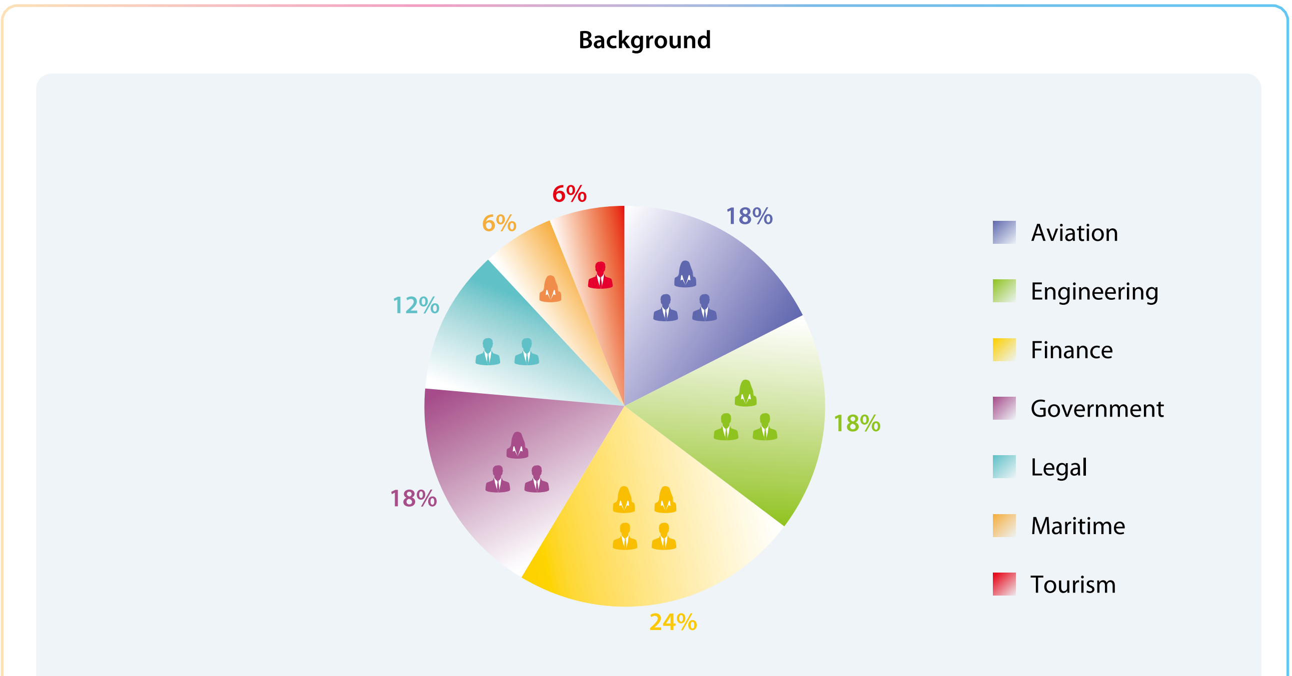
Board Composition

As of 29 May 2026, the Board had 17 Members, whose biographies are set out on pages 12 to 15 and are available on the AAHK website (www.hongkongairport.com/en/airport-authority/board-management/the-board.page). With the exception of CEO, all Board Members are non-executive. 13 Members are considered independent, representing 76% of the total[1]. The three public officers serving on the Board are the Secretary for Financial Services and the Treasury, the Secretary for Transport and Logistics, and the Director-General of Civil Aviation.

Board Diversity

Non-executive Members make up 94% of the Board and come from diverse backgrounds, including the aviation, engineering, public administration, finance, legal, maritime and tourism sectors. They bring an external perspective with an independent point of view, constructively challenge and advise on proposals on strategy, and monitor the performance of executive management.

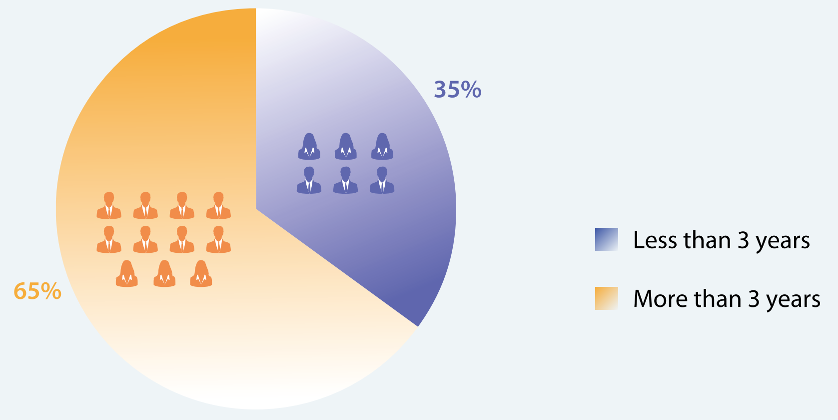




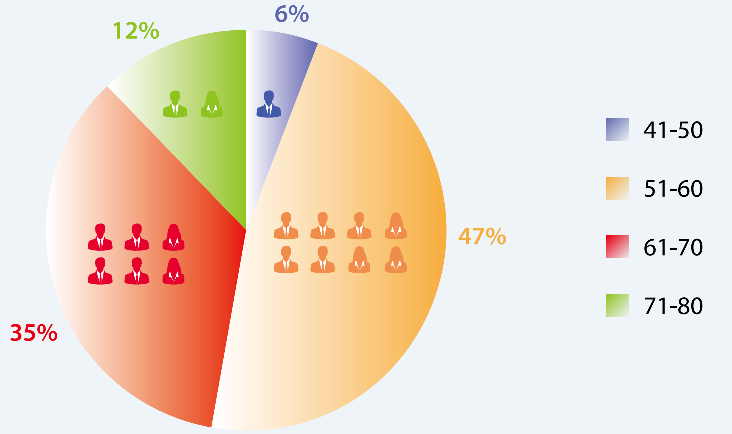
Percentages may not add up to 100% due to rounding.

1 Any Member who is not a public officer or an executive of AAHK and is not related to any Board Member or member of executive management is considered to be independent.

Number of Years on AAHK Board



Age



Appointment

The appointment of Board Members, including the Chairman, is determined by the Chief Executive of the Hong Kong Special Administrative Region (HKSAR). With the exception of CEO, who is an ex officio member, each term for the Chairman and all other Board Members is normally three years.

Remuneration

Pursuant to the Ordinance, the remuneration of Board Members, including the Chairman, is determined by the Chief Executive of the HKSAR. No Board Member is involved in deciding his or her own remuneration.

The remuneration of Board Members for the year under review is disclosed on page 115.

Training

To ensure that Board Members remain well informed, engaged and equipped with the skills required to discharge their directors' duties effectively in a fast-evolving operating and regulatory environment, AAHK's Annual Director Training Programme provides a structured and holistic framework for continuous professional development, combining strategic exposure, thematic learning and practical insight sharing, in line with the expectations of the Stock Exchange of Hong Kong Limited. During the year, Board Members received regular reports on the business and operation of AAHK and its key subsidiaries and associated companies to support informed decision-making and effective oversight.

Annual Director Training Programme

Experience & insight sharing

- Overseas Board Trips & External Visits
- Global Benchmarking

Thematic sessions on topical issues

- Board Briefings & Thematic Visits
- Strategy & Governance Topics

On-boarding sessions for new members

- Induction Briefings
- Site Visits

Self-learning

- External Seminars & Webinars
- Emerging & Specialized Knowledge

The Annual Director Training Programme is anchored on experience and insight sharing, primarily through annual overseas Board trips to other leading airports and visits to related aviation, logistics and commercial developments. Such experiential learning allows Board Members to benchmark global best practices, deepen industry perspectives, and better understand emerging trends shaping HKIA's Airport City development and aviation-related businesses.

Complementing this are thematic sessions on topical issues, delivered through regular Board briefings and thematic visits to relevant airport facilities, projects and operations held throughout the year. These sessions focus on strategic, operational and governance-related topics relevant to AAHK's long-term development, including major projects, innovation, customer experience, logistics and sustainability.

On-boarding sessions are conducted for each new Board Member (including public officers) upon appointment to familiarise Members with the overall airport business and AAHK's objectives, strategies, operations and internal controls. These sessions comprise meetings with CEO, Executive Directors (EDs) and management; tailor-made briefings on strategic development, airport operations, aviation security, airport businesses and major infrastructure projects, environmental, social and governance (ESG) priorities as well as site visits to airport developments at or around HKIA.

In parallel, self-learning is encouraged through participation in external seminars and webinars organised by professional service providers or industry bodies, enabling Board Members to continually enhance their knowledge in specialised and emerging areas. Together, these four training themes support the Board's ongoing effectiveness and reinforce AAHK's commitment to high standards of corporate governance.

During the year, Board Members participated in the following activities to strengthen their understanding of HKIA's business landscape and the global aviation industry:

Date	Activity
12 July 2025	• Tour of the North Lantau Marine Park to enhance Members' understanding of AA's marine ecology and fisheries enhancement strategy and initiatives
28 August 2025	• Visit to "Park & Fly" and the Terminal 2 (T2) Coach Hall before the commissioning of these facilities
10 – 14 January 2026	• Visit to Dubai International Airport, Dubai Mall, Burj Khalifa, Bvlgari Resort Dubai, Old Dubai Village, and Alserkal Avenue to provide context for the development of SKYTOPIA • Met leaders from Dubai Airports, the Ministry of Energy and Infrastructure in UAE, KLN Logistics Group Limited, and Emirates

Personal Liability

Pursuant to Section 45 of the Ordinance, Board Members are exempted from personal liability in respect of anything done, or omitted to be done, by them in good faith in relation to the performance or purported performance of any function under the Ordinance.

BOARD PROCESSES

Board processes were designed to align, to the extent AAHK considers applicable, with the Corporate Governance Code (the CG Code) issued by the Stock Exchange of Hong Kong Limited and are clearly defined in the modus operandi of the Board.

The modus operandi of the Board is reviewed from time to time to keep abreast of relevant regulatory changes and best corporate governance practices.

Key Elements of the Current Modus Operandi

- The Board shall have at least four regular meetings each year
- Meeting agendas are approved by the Chairman, and Members may propose matters to be included in the agendas
- The Board receives reports from the Chairmen of Board Committees at each meeting
- Meeting minutes are sent to Members for comment and record within a reasonable time
- An annual schedule for Board meetings is made available in the prior year
- Agendas and papers are sent to Members at least three clear days before a meeting
- Members are obliged to safeguard confidential information and observe procedures for declaration of interests and disclosure of potential conflicts of interest

Summary of Work Done in 2025/26

- Held five Board meetings with an average attendance rate of 88.2%
- Considered and received 32 papers/presentations (71.9% issued three clear days before the meeting)
- Significant matters considered or resolved:

Corporate
- Annual and 5-year business plans
- Corporate goals and performance measures
- Set up of a subsidiary for charitable purposes
- Internal control review, and risk and business continuity management
- Appointment of executive management

Financial
- Annual budget and 5-year financial plan
- Financing plan
- Quarterly management accounts and reports
- Audited financial statements and unaudited interim financial report

Strategic
- 10-year technology roadmap
- HKIA-related initiatives and projects in the Chief Executive of the HKSAR's Policy Address

Projects
- Major contracts related to the SKYTOPIA development

Commercial and Business Strategies
- Development of SKYTOPIA
- Term extension for Premium Logistics Centre
- Term extension of airport hotel
- Retail strategy

Human Resources
- Staff remuneration review
- Corporate performance assessment

Operations
- Development of aircraft maintenance facility and provision for aircraft dismantling operations
- Emergency handling readiness

MEETINGS

Attendance records of Members at the five Board meetings are detailed on page 66.

DISCLOSURE OF INTERESTS

AAHK has clear and comprehensive procedures for the disclosure of interests, which are an important safeguard against potential conflicts of interest.

Under current procedures, Board Members, executive and senior management are required to make a general declaration upon their appointment and thereafter on an annual basis, and to report any change to their declaration as and when it occurs or as soon as they become aware that potential conflicting interests may arise.

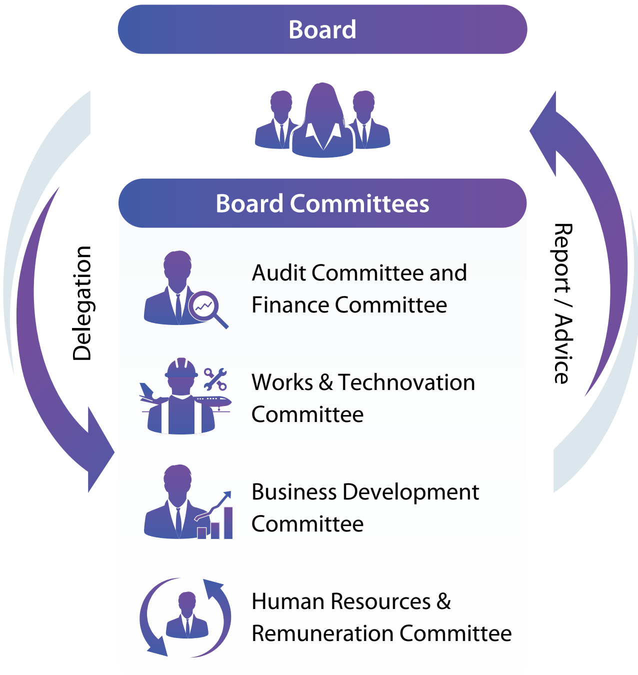
Board Members are also required to declare their direct or indirect interests, if any, in business proposals or transactions to be considered by the Board or Board Committees. Board Members with material conflicts of interest are not provided with papers related to the proposal or transaction under consideration, and are excluded from the deliberation and decision-making process. A register of declarations made by Board Members is maintained by the Board Secretariat and is available for public inspection.

Procedures are also in place to require staff to disclose their interests under specific circumstances, for instance, acting as a member of a tender assessment panel. Staff with potential conflicts of interest are excluded from the relevant deliberation and decision-making process.

BOARD COMMITTEES

Pursuant to the Ordinance, Board Committees may be established to consider matters on specialised areas. Such Committees may decide on matters within their remit and the Chairmen concerned are required to report to the Board at the subsequent Board meeting. Committees may also bring to the Board's attention issues that may potentially have an adverse impact on AAHK's business prospects, airport operations, financial position, reputation, the environment or aviation security. Currently, there are four Board Committees, each with specific terms of reference.

The modus operandi of Board Committees closely follows that of the Board.



Interface between the Board and Board Committees

- The Chairmen and Members of Board Committees shall be nominated by the Chairman of the Board and approved by the Board
- Committee Chairmen's reports are submitted to each subsequent Board meeting
- Board Members have access to full minutes of Committee meetings

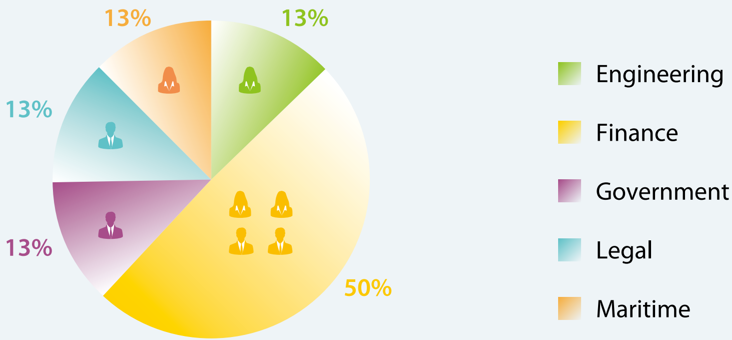
The terms of reference of Board Committees are reviewed from time to time. A review was last conducted in 2024 in light of the renewed organisation focus and AAHK's evolving business and operational needs, better division of work among Committees and clarity. The terms of reference of Board Committees are available on AAHK's website.

The updated composition of Board Committees was approved by the Board in September 2024. The majority of Board Members serve on two Board Committees and/or the Aviation Security Company Limited (AVSECO) Board.

The following sets out details of Board Committees, their membership, principal duties and a summary of work done in the year ended 31 March 2026.

Audit Committee and Finance Committee (ACFC)

Members' Background – ACFC



Average Attendance Rate: 78.1%
Percentages may not add up to 100% due to rounding.

Members

The Committee has eight non-executive Members, seven of whom are independent:

Independent Non-executive

- Mr Stephen Yiu Kin-wah (Chairman)
- Prof Dorothy Chan Yuen Tak-fai
- Ms Sabrina Chao Sih-ming
- The Hon Rock Chen Chung-nin
- Ms Irene Chow Man-ling
- Mrs Ann Kung Yeung Yun-chi
- Mr Laurence Li Lu-jen

Non-executive

- Secretary for Financial Services and the Treasury

Principal Duties

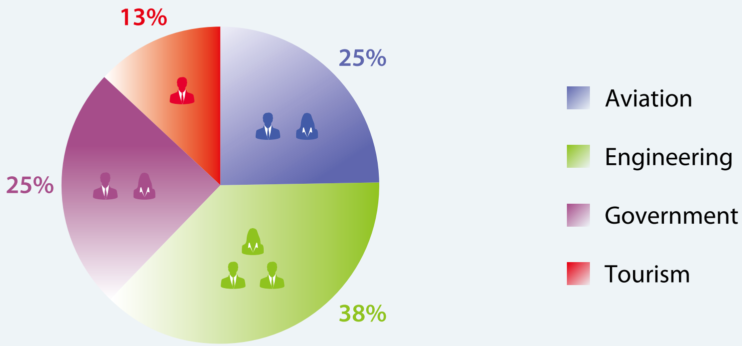
1. Reviews financial statements
2. Makes recommendations on the appointment of the external auditor, approves its remuneration and terms of engagement, and oversees AAHK's relations with the external auditor
3. Reviews accounting policies, annual budget and 5-year financial plan
4. Oversees internal and financial controls, risk management system and internal audit function, and reviews whistleblowing policy
5. Reports on matters relating to corporate governance practices
6. Makes recommendations on AAHK's financial investment guidelines and oversees investments
7. Oversees sustainability issues and AAHK's monitoring of sustainability risks and opportunities

Summary of Work Done in 2025/26

- Held four meetings with an average attendance rate of 78.1%
- Considered 16 papers, all meeting the target of issuance at least three clear days before the meeting, with more than 30% of the papers exceeding this target
- Significant matters considered or resolved:
  - Annual budget and 5-year financial plan
  - Financing plan
  - Quarterly operating results
  - Dividend payment
  - Audited annual financial statements and unaudited interim financial report
  - Review of the external auditor's report and the effectiveness of the audit process
  - Annual corporate governance, risk management and internal control review reports
  - Adequacy of resources, qualifications and experience of staff in accounting, internal audit and financial reporting
  - Annual internal audit programme, quarterly internal audit reports and effectiveness of the internal audit function
  - Risk management system
  - Review of sustainability issues relating to the operation and development of HKIA

Works & Technovation Committee (WTC)

Members' Background – WTC



Average Attendance Rate: 95.8%
Percentages may not add up to 100% due to rounding.

Members

The Committee has eight members, five of whom are independent:

Independent Non-executive

- Ir Dr Lo Wai-kwok (Chairman)
- Prof Dorothy Chan Yuen Tak-fai
- Mr Philip Chen Nan-lok
- Ir Edwin Tong Ka-hung
- The Hon Perry Yiu Pak-leung

Executive

- Mrs Vivian Cheung Kar-fay

Non-executive

- Secretary for Transport and Logistics
- Director-General of Civil Aviation

Principal Duties

Oversees major capital works, critical systems and asset alterations and additions, technology and innovation projects, and operation and maintenance services ("Relevant Projects/Services") from proposal and implementation to successful completion, on-time and within budget:

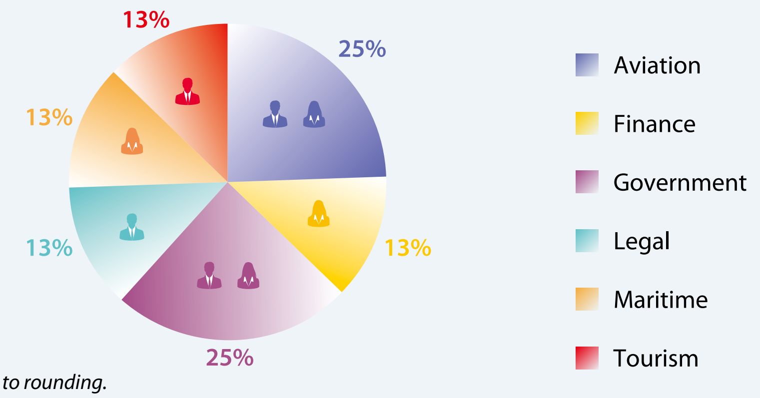
1. Advises and makes recommendations to the Board on key matters for Relevant Projects and Services
2. Reviews and approves procurement strategy and evaluation criteria for Relevant Projects and Services and associated consultancies
3. Reviews and approves or makes recommendations to the Board on the award of and variations to the Relevant Projects and Services contracts and consultancy agreements
4. Monitors the progress to ensure the smooth implementation of major capital works, critical systems, and asset alteration and addition projects
5. Makes recommendations to the Board on the annual budget and 5-year plan for capital expenditures on Relevant Projects, and expenditures on critical systems, and asset alteration and addition projects

Summary of Work Done in 2025/26

- Held six meetings with an average attendance rate of 95.8%
- Considered and received 12 papers/presentations (80.0% issued three clear days before the meeting)
- Significant matters considered or resolved:
  - Annual capital works budget and 5-year capital works plan
  - Progress of major capital works and projects
  - Readiness for T2 commissioning
  - Development of aircraft maintenance facility
  - Major contracts related to the SKYTOPIA development
  - Procurement strategies and award of major works contracts
  - Airport improvement and maintenance works

Business Development Committee (BDC)

Members' Background – BDC



Average Attendance Rate: 91.7%
Percentages may not add up to 100% due to rounding.

Members

The Committee has eight members, five of whom are independent:

Independent Non-executive

- Dr William Wong Ming-fung (Chairman)
- Ms Sabrina Chao Sih-ming
- Mr Philip Chen Nan-lok
- Mrs Ann Kung Yeung Yun-chi
- The Hon Perry Yiu Pak-leung

Executive

- Mrs Vivian Cheung Kar-fay

Non-executive

- Secretary for Transport and Logistics
- Director-General of Civil Aviation

Principal Duties

Considers, approves and makes recommendations to the Board on:

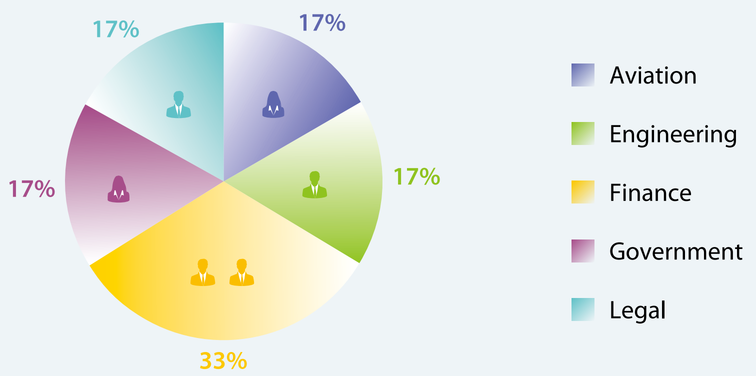
1. Business investment objectives and strategies relating to the development of HKIA as an international aviation hub
2. Airport business, commercial and land development plans and proposals and associated consultancies
3. Major commercial and airport operational commitments, including review of airport charges and other pricing and charging policies
4. Initiatives that promote or maintain HKIA's status as an international aviation hub
5. Themes and key components for the annual plan and the five-year plan

Summary of Work Done in 2025/26

- Held three meetings with an average attendance rate of 91.7%
- Considered 7 papers (87.5% issued three clear days before the meeting)
- Significant matters considered or resolved:
  - Licensing strategy for retail concessions
  - Business strategies and charging mechanism
  - Franchise extensions
  - Development of an aircraft maintenance hangar

Human Resources & Remuneration Committee (HRRC)

Members' Background – HRRC



Average Attendance Rate: 83.3%
Percentages may not add up to 100% due to rounding.

Members

The Committee has six members, four of whom are independent:

Independent Non-executive

- The Hon Rock Chen Chung-nin (Chairman)
- Ir Dr Lo Wai-kwok
- Dr William Wong Ming-fung
- Mr Stephen Yiu Kin-wah

Executive

- Mrs Vivian Cheung Kar-fay

Non-executive

- Secretary for Transport and Logistics

Principal Duties

1. Reviews staffing, remuneration and employment policies and strategies
2. Advises the Board on staff-related issues, including annual corporate goals and performance measures, salary structure, variable compensation and retirement schemes
3. Makes recommendations on the appointment of EDs
4. Makes recommendations on the remuneration of CEO and EDs
5. Oversees senior management succession planning

Summary of Work Done in 2025/26

- Held two meetings with an attendance rate of 83.3%
- Considered five papers (20% issued three clear days before the meeting)
- Significant matters considered or resolved:
  - Annual corporate performance assessment and award of variable compensation for staff
  - Annual corporate goals and performance measurements
  - Annual review of staff remuneration
  - Contract renewal of EDs

Meeting Attendance (1 April 2025 to 31 March 2026)

	AAHK					AVSECO
Members of the Board	**Board[2]**	**ACFC[2]**	**WTC**	**BDC**	**HRRC**	**Board[3]**
Non-executive						
Secretary for Transport and Logistics	5/5		6/6	3/3	2/2	
Secretary for Financial Services and the Treasury	5/5	4/4				
Director-General of Civil Aviation	5/5		6/6	3/3		3/3
Independent Non-executive						
Mr Fred Lam Tin-fuk (Chairman of the Board)	5/5					
Prof. Dorothy Chan Yuen Tak-fai	5/5	2/4	5/6			
Ms Sabrina Chao Sih-ming	3/5	1/4		2/3		
Mr Philip Chen Nan-lok	5/5		6/6	3/3		
The Hon Rock Chen Chung-nin	4/5	3/4			2/2[1]	
Ms Irene Chow Man-ling	5/5	4/4				3/3
Mrs Ann Kung Yeung Yun-chi	5/5	4/4		3/3		
Mr Laurence Li Lu-jen	3/5	3/4				1/3
Ir Dr Lo Wai-kwok[4]	5/5		6/6[1]		2/2	3/3
Ir Edwin Tong Ka-hung[5]	5/5		6/6			3/3
Dr William Wong Ming-fung	1/5			3/3[1]	0/2	
The Hon Perry Yiu Pak-leung	4/5		5/6	2/3		
Mr Stephen Yiu Kin-wah	5/5	4/4[1]			2/2	
Executive						
Mrs Vivian Cheung Kar-fay (CEO)	5/5		6/6	3/3	2/2	3/3
Total number of meetings held during the year	5	4	6	3	2	3

Notes:

1 Chairman of the Committee

2 Representatives of the external auditor participated in two Board meetings and two ACFC meetings during the year

3 AVSECO is jointly owned by AAHK (51%) and the HKSAR Government (49%), and is responsible for providing aviation security services at HKIA

4 Chairman of the AVSECO Board and AVSECO Human Resources Committee

5 Chairman of the AVSECO Audit Committee

ACFC: Audit Committee and Finance Committee

BDC: Business Development Committee

WTC: Works & Technovation Committee

HRRC: Human Resources & Remuneration Committee

AVSECO: Aviation Security Company Limited

Balance of Responsibility

The Board is responsible for overseeing the strategic direction and overall performance of AAHK, while executive management is responsible for managing the operations and implementing the strategies set by the Board.

Matters reserved for the Board's decision include:

- Major corporate strategies and policies
- Substantial investments and major capital projects
- Major airport franchises
- Material acquisitions and disposals
- Formation and disposal of subsidiaries
- Corporate business and financial plans and budgets
- Appointment, compensation and succession planning of executive management
- Review of corporate performance
- Development of land assets

CHAIRMAN AND CEO

At AAHK, the positions of non-executive Chairman and CEO are held by different people, and their roles are segregated and distinct. Their major responsibilities include:

Chairman (INED)

- Leads the Board in setting policies, strategies and overall development direction
- Monitors Board effectiveness
- Fosters constructive relationships among Board Members

CEO

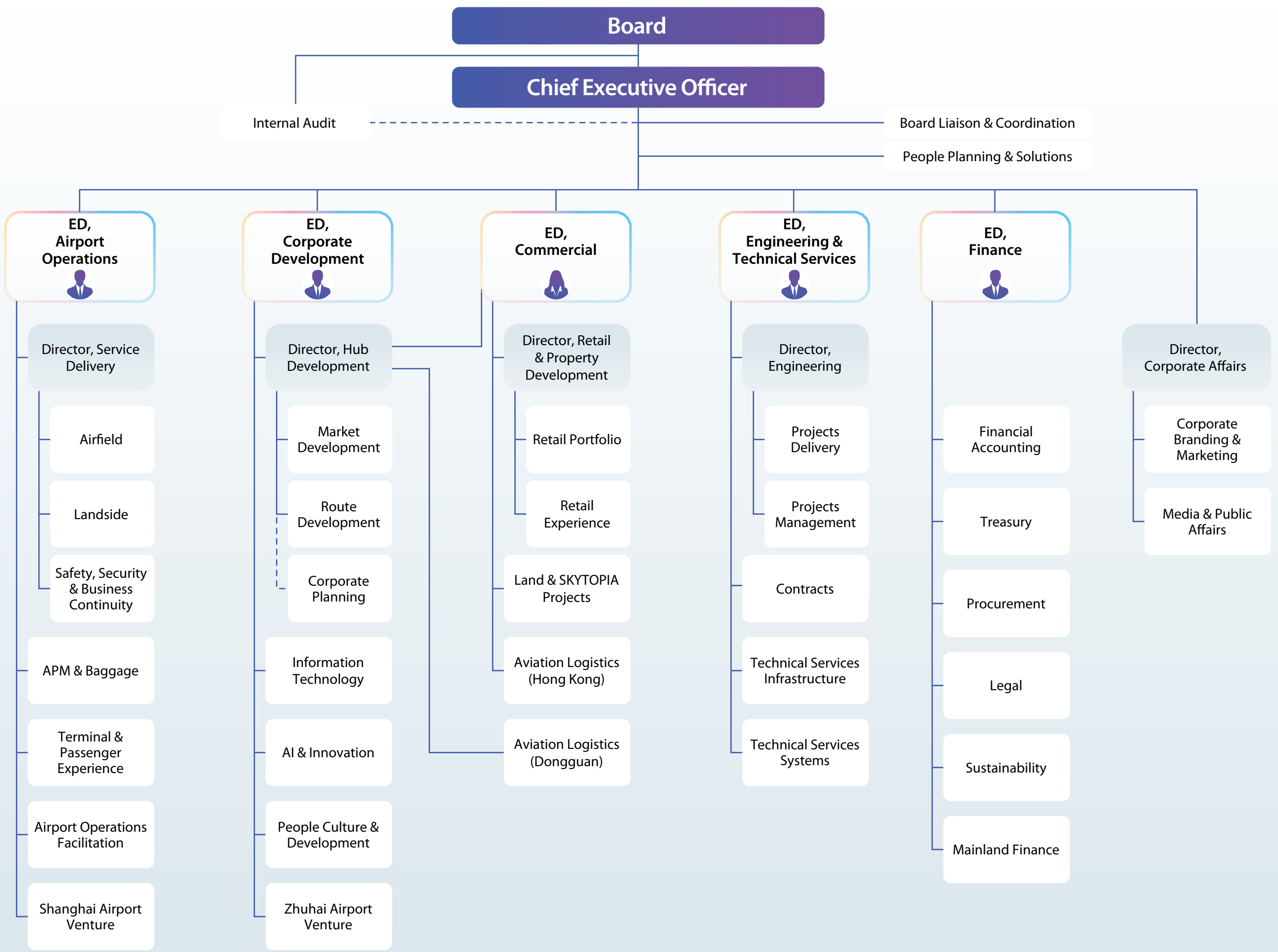
- Formulates strategic operational plans in line with the objectives set by the Board
- Assumes executive responsibility for day-to-day operational and business performance
- Leads the executive management team to implement the policies and strategies adopted by the Board

EXECUTIVE MANAGEMENT

Led by CEO, the executive management team with its diverse experience, is responsible for managing AAHK's day-to-day affairs and assisting the Board in formulating and implementing corporate strategies.

AAHK's management structure consists of functional divisions and departments. This structure underpins a focus on corporate performance and fosters close departmental cooperation while maintaining the accountability of individual departments. The organisation structure of AAHK as at 1 April 2026 was as follows:

AAHK ORGANISATION STRUCTURE



The performance of the CEO and EDs is reviewed and recommended by the HRRC and approved by the Board without the presence of executive management. The remuneration package of the CEO and EDs consists of basic compensation, performance-related compensation and retirement benefits. A significant portion of the performance-related compensation is determined with reference to objective indicators, including AAHK's financial performance, operational excellence, business development and sustainable development.

No member of executive management is involved in deciding their own remuneration. Details of the remuneration of the CEO and EDs are set out in the Notes to the Financial Statements on pages 115 to 117.

The Secretary is responsible for advising the Board through the Chairman on corporate governance matters and assisting the CEO in conveying the Board's decisions to executive management.

KEY MANAGEMENT AND ADVISORY COMMITTEES

Apart from the four Board Committees, there are management committees and an advisory committee that address specific issues. The structure and composition of Committees are reviewed from time to time to ensure they are aligned with AAHK's changing business and operational needs. The current key Committees are listed below:

Management Committees

Committee	Members	Role and Functions
Airport and Land Development Committee	• CEO (Chairman) • EDs • Other senior staff	• Ensures the holistic use and development of airport land, and the implementation of the hub development strategy • Provides strategic advice and steer for land use planning and hub development, with the objective of developing HKIA into an Airport City and reinforcing HKIA's hub status • Oversees and reviews AAHK's corporate strategies and policies on HKIA's land use and development
HKIA Technovation and Data Management Board	• CEO (Chairman) • Relevant EDs • Other senior staff	• Steers the strategic direction of technology and innovation for HKIA's development • Determines HKIA's development focus and priorities and advises on the allocation of resources • Reviews the institutional arrangements for effective implementation of technovation programmes • Oversees and drives AAHK's data strategy and development, including data governance, data analytics and data management, to meet HKIA's operational and business development needs
Human Resources Committee	• CEO (Chairman) • EDs	• Reviews and formulates people development strategies to meet future business needs • Plans the development of AAHK's overall human resources capabilities, including people development, talent management and succession planning for executive positions • Champions AAHK's corporate culture
Sustainability Executive Taskforce	• CEO (Chairman) • EDs	• Steers and oversees the progress of key sustainability initiatives and programmes, including the implementation of the Climate Adaptation and Resilience Plan and Climate Resilience Guidance Note

Advisory Committee

Committee	Members	Role and Functions
Steering Committee for the Marine Ecology Enhancement Fund and Fisheries Enhancement Fund	• ED, Finance (Chairman) • External members from academia and the accounting, water, engineering and environmental sectors	• Provides guidance on the operation of the Marine Ecology Enhancement Fund and Fisheries Enhancement Fund • Considers the allocation of resources to meet the Funds' objectives

EXTERNAL STAKEHOLDERS

Transparency

AAHK considers transparency fundamental to good corporate governance and has taken an open and balanced approach to disclosing information. Information relating to AAHK's performance and operations, save for certain information relating to aviation security and matters of commercial sensitivity, is released on a regular basis and made available on AAHK's website (www.hongkongairport.com). AAHK's annual and interim financial reports are also published on the website.

To promote transparency and openness, AAHK voluntarily discloses, in compliance with such parts of the CG Code issued by the Stock Exchange of Hong Kong Limited as AAHK determines appropriate, the individual attendance records of Board and Committee meetings, the remuneration of its Board Members and the remuneration of its executive management by band. In 2025/26, 15 enquiries were accepted and processed through AAHK's code on access to information.

Communication

AAHK adopts an open and proactive communication policy. To promote effective communication with stakeholders and the public, the HKIA website contains up-to-date and comprehensive information about AAHK, and HKIA and its services. AAHK uses major social media, including Facebook, Instagram, YouTube, LinkedIn, X (formerly Twitter), WeChat, Xiaohongshu and TikTok, to disseminate information and promote HKIA's brand in Hong Kong, the Mainland and international markets. AAHK keeps the public abreast of HKIA's new service offerings, growth and development through the mass media by organising press conferences, workshops and briefings; giving interviews; responding to enquiries; contributing articles; and issuing press releases and statements. Meetings, forums and airport visits are held to foster two-way communication with business partners, the aviation industry and other stakeholders.

AAHK values customer feedback. A wide array of channels, such as websites, quantitative and qualitative opinion surveys, social media, email, feedback forms, telephone hotlines and more, are used to obtain views from passengers, customers and other stakeholders. To enhance understanding of HKIA's business and developments, in particular matters related to the Airport City strategy, AAHK closely engages with stakeholders through meetings, briefings and visits. The Professional Liaison Group and Community Liaison Groups, which were established to support the 3RS project, will continue to meet to provide updates on airport developments and to collect feedback from experts and community leaders. *HK Airport News*, a newsletter providing information on major events and developments at HKIA, is published and distributed to stakeholders every month.

Within the organisation, regular conferences, briefings and cross-departmental meetings are held between management and staff to ensure that the Board's desired culture is reflected in AAHK's strategies and goals. These meetings also provide opportunities for senior management to impart a forward-looking perspective to staff and share their thoughts on future corporate direction and focus. Key corporate objectives, strategies, results and information about airport operations and developments are shared at town hall meetings that allow direct communication with AAHK's staff. Chaired by the CEO and attended by the Group's entire management team, the monthly extended management meeting (EMM) is an important information sharing platform for senior management to keep abreast of the latest developments and current corporate issues. Notes of the EMM are shared with all staff on AAHK's intranet.

SUSTAINABILITY

AAHK's sustainability vision is to strengthen HKIA's capabilities to achieve environmental and operational excellence while contributing to thriving economies, societies and people.

The Audit Committee and Finance Committee (ACFC) of the Board is responsible for overseeing AAHK's sustainability strategy. The ACFC is supported by the Sustainability Executive Taskforce (SET), which is chaired by AAHK's CEO and comprises all EDs. In turn, the SET is supported by the Internal Sustainability Committee (ISC), which comprises general managers from across divisions and monitors the delivery and progress of key sustainability initiatives.

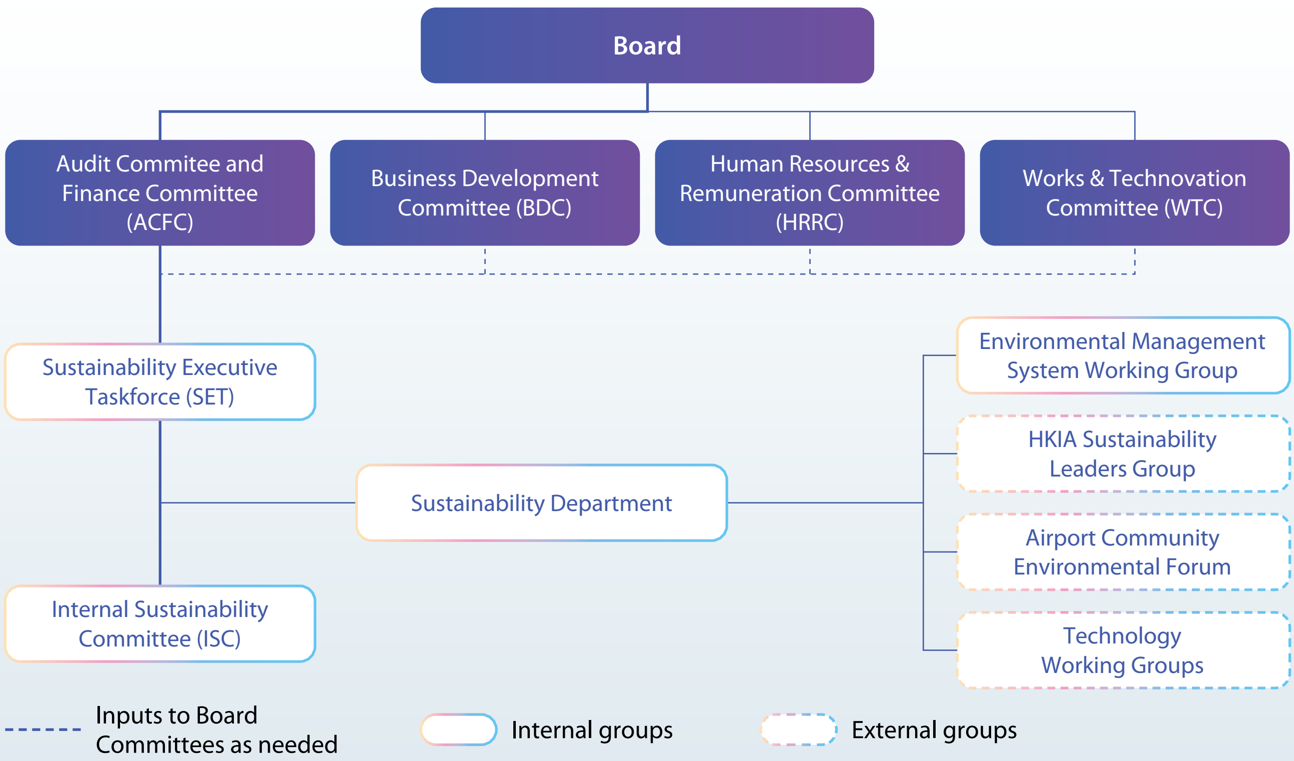
The Sustainability Department is responsible for developing and implementing AAHK's sustainability strategy, management and reporting systems. The Sustainability Department liaises with other departments to deliver sustainability projects and initiatives, and provides secretariat support to the ISC. The Sustainability Department reports to the SET biannually and seeks the SET's guidance on potential new and/or revised sustainability policies, targets and strategies.

AAHK's Sustainability Report 2024/25, published during the reporting year, was prepared in accordance with the internationally recognised Global Reporting Initiative's (GRI) Standards and GRI G4 Airport Operators Sector Disclosures, and was voluntarily disclosed in compliance with the ESG Reporting Code published by Hong Kong Exchanges and Clearing Limited. The report incorporates AAHK's fourth Sustainable Finance Transactions Annual Report, which summarises the use of proceeds and estimated environmental impacts of AAHK's green bonds issued in January 2022 and January 2023. Climate-related disclosures aligned with the International Sustainability Standards Board's (ISSB) International Financial Reporting Standards S2 Climate-related Disclosures (IFRS S2) are appended. The report is aligned with the United Nations Sustainable Development Goals and was independently verified by the Hong Kong Quality Assurance Agency.

During the year, AAHK received several awards that recognised its efforts to improve HKIA's sustainability and achieve its pledge of becoming the world's greenest airport. These include:

Awarding Institution	Recognition/Award
Sustainalytics	AAHK received a "low risk" ESG rating with a score of 11.4. HKIA placed second among 84 airports surveyed
The Hong Kong Green Building Council and the Professional Green Building Council	Sky Bridge won a "Special Citation on Green Financing" and was a finalist in the "New Buildings Category: Completed Projects – Institutional" at the Green Building Award 2025
Airports Council International Asia-Pacific & Middle East	Gold in the Over 38 Million Passengers per Annum category of the ACI Asia-Pacific & Middle East Green Airports Recognition 2025
Sing Tao News Corporation and The Hong Kong Polytechnic University	"Prestigious ESG Accomplishment of the Year", "Outstanding ESG Environmental Performance Award", "Outstanding ESG Social Performance Award", "Outstanding ESG Corporate Governance Performance Award" and "ESG Commendation Certification" at the Outstanding ESG Enterprises Recognition Scheme 2025
CLP Power Hong Kong Limited	"Excellence" in the Public Utility category of the Sustainable Carbon Neutral Award at the CLP Smart Energy Award 2025
Hong Kong Quality Assurance Agency	"Outstanding Award for Excellent ESG Disclosure Contribution" at the Hong Kong Green and Sustainable Finance Awards 2025
Television Broadcasts Limited (TVB)	"Outstanding ESG Award", "Best in ESG Practices", "Best in ESG Report" and "ESG Environmental Innovative Technology Award" at the TVB ESG Awards 2025
Hong Kong Ta Kung Wen Wei Media Group	"Best ESG and Dual Carbon Practice Award" at the 2025 International ESG Annual Awards of Hong Kong
Ming Pao	"Excellence ESG Corporate Award – Non-listed Company" at the Ming Pao ESG Award 2025

SUSTAINABILITY GOVERNANCE STRUCTURE



Note: The Audit Committee and Finance Committee of the Board is responsible for overseeing AAHK's sustainability strategy. Sustainability-related issues may be considered by other Board Committees where relevant.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management

The operation of AAHK encompasses a diverse range of risks. Particulars of AAHK's approach to risk management are described below:

- The annual corporate planning exercise requires all departments to identify key challenges before formulating strategic priorities or projects in their annual and rolling 5-year business plans. The status of projects is reviewed by senior management throughout the period.
- Executive management undertakes an annual review of the internal controls for key business, operational, financial and compliance risks facing each department and major subsidiary. Additional details are described in the Reviews on Internal Controls section of this report.
- The Safety, Security and Business Continuity Department assesses and coordinates an annual review of operational risks to ensure HKIA's preparedness and minimise the effects of potential disruptions to flows of passengers, baggage, aircraft, cargo and information. Business continuity plans are developed and tested to manage potential disruptions.
- A risk assessment and management system relating to the requirements of major works projects is in place and reports through the WTC to the Board.

As HKIA's operations grow in size and complexity, the risk management framework is reviewed from time to time to ensure its effectiveness and robustness, which is essential in maintaining Hong Kong's status as an international aviation hub.

In light of emerging and leading practices adopted globally for enterprise risk management and sustainability governance, the Sustainability Executive Taskforce was established. Details of the taskforce, which is chaired by the CEO and has the EDs as members, are disclosed in the Sustainability section of this report.

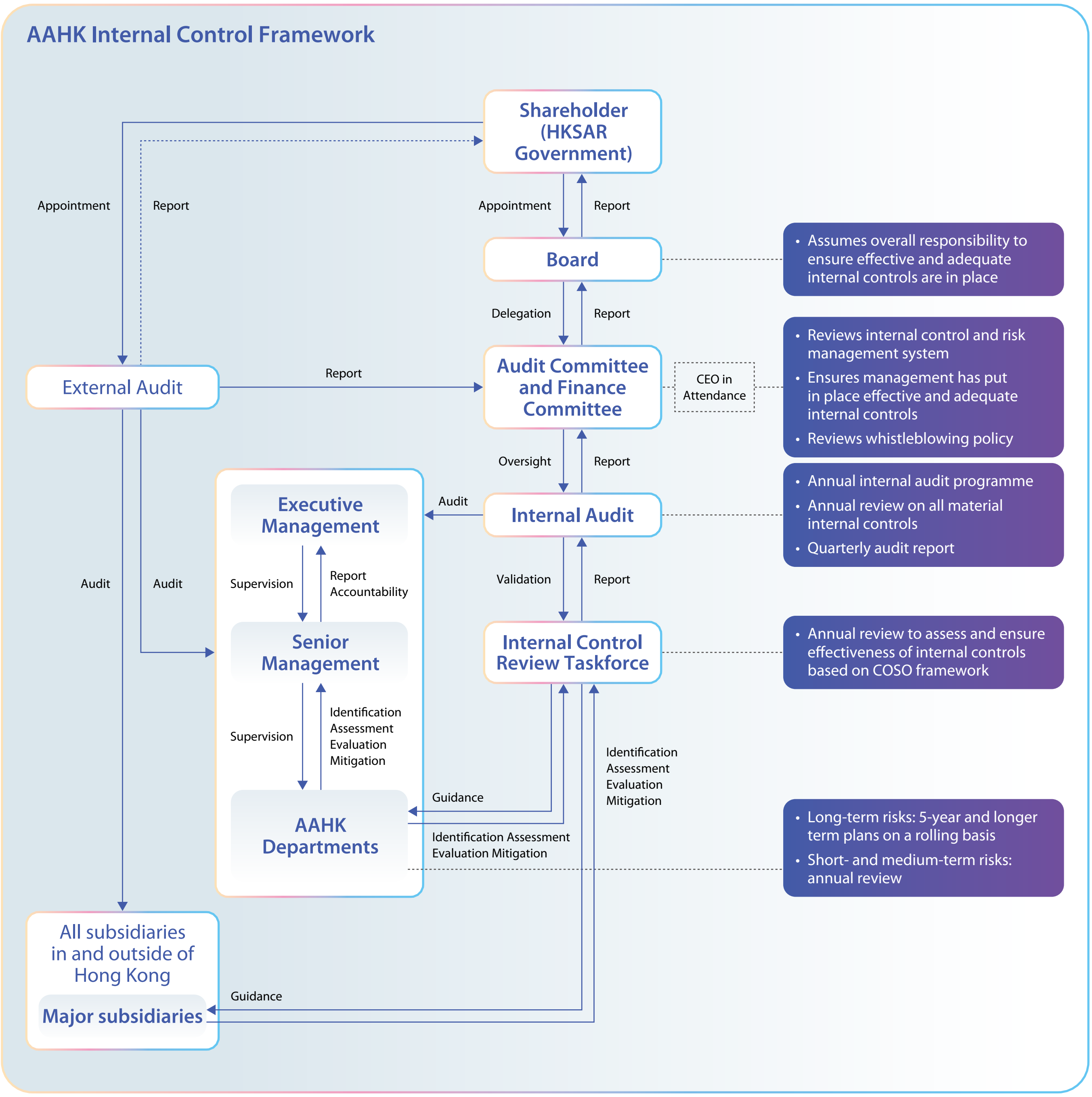
Internal Controls

Internal controls form an integral part of AAHK's management system and are embedded in the operational procedures of functional departments. The underlying principle of AAHK's internal controls is to manage and mitigate, rather than eliminate, risks.

AAHK's internal controls are designed to give reasonable assurance that:

- Operations are safe, secure and free from serious interruptions
- Assets are prudently safeguarded
- Maximum value for money is obtained from its expenditures
- Business activities are conducted in a fair and responsible manner
- Financial reporting is accurate, transparent, timely and complete
- The business and operations of AAHK are conducted in compliance with relevant laws and regulations, and prudent commercial principles as stipulated in the Ordinance.

Key features of AAHK's internal control framework are depicted below:



Risk management and internal controls are a critical focus for all levels at AAHK: the Board, the ACFC, executive management, and operating and supporting functions. AAHK's risk profile is assessed through a bottom-up analytical approach covering all operating and supporting functions.

The Board

The Board is responsible for ensuring that AAHK has effective risk management and control systems and is assisted by the ACFC in discharging this responsibility.

Audit Committee and Finance Committee

The ACFC is responsible for reviewing AAHK's risk management system and ensuring that effective controls are in place. It receives reports from both external and internal auditors and considers any control issues arising from these reports.

The ACFC reviews all risk areas presented in the consolidated report on AAHK's risk profiles and control systems and identifies key issues that require its further attention and, if appropriate, the Board's focus.

Executive Management

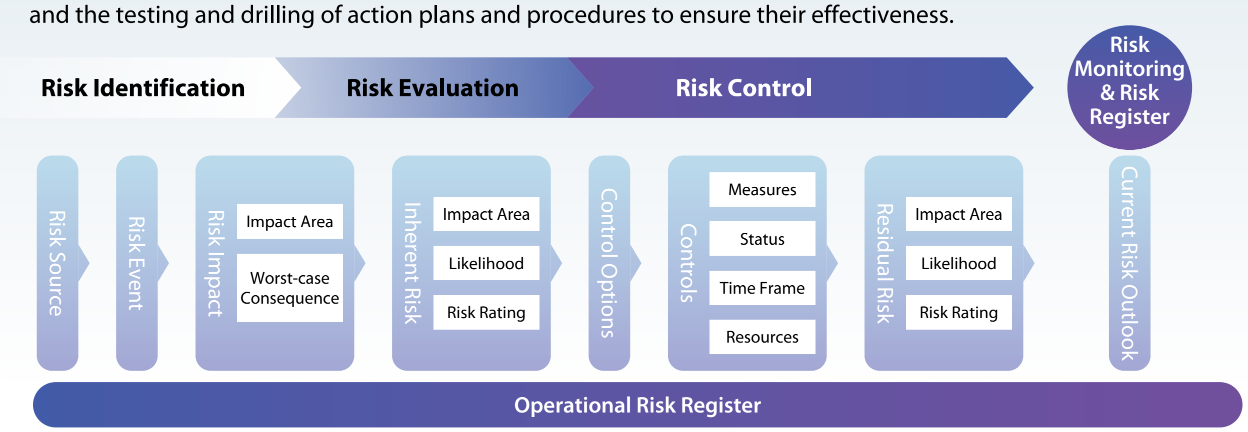
To recognise emerging risks from economic, market or environmental changes, management conducts ongoing risk assessments. These assessments help the Board identify new exposure areas and implement appropriate mitigation measures.

Different approaches are used to collect and analyse market intelligence and data, including close communication with business partners, industry bodies, government and opinion leaders through liaison groups, committees, international organisations and engagement exercises.

When information that may affect AAHK's operations or risk exposure is received, follow-up or preventive measures are deliberated at regular intra- or interdepartmental meetings.

Operating and Supporting Functions

Given the myriad risks that may affect the operations of the airport, all operational departments are required to implement a thorough risk identification process to review the risk and business continuity management processes pertaining to operational areas that are critical to sustaining the continuous smooth operation of the airport. The key elements of AAHK's risk identification process include the establishment of an Operational Risk Register to track and document identified risks, the development and continual updating of preventive and responsive procedures, and the testing and drilling of action plans and procedures to ensure their effectiveness.



External Audit

The main purpose of the external audit is to provide independent assurance to the Board and shareholder that the annual financial statements of AAHK are fairly stated. The appointment of AAHK's external auditor is subject to the approval of the Chief Executive of the HKSAR, on the recommendation of the ACFC and the Board.

The external auditor for the year under review was KPMG. The lead engagement partner responsible for AAHK is rotated every seven years. The last rotation took place in 2025/26. AAHK may engage its external auditor, KPMG, to undertake certain non-audit services, provided that the related fees remain within a cap approved by the ACFC, thereby avoiding any perceived conflict of interests that could affect the independence of the external auditor.

The following is a breakdown of the fees paid by AAHK and its subsidiaries to the external auditor in the past two years for audit and non-audit services:

(in HK$ million)	**2025/26**	2024/25
Audit fees	**7**	6
Fees for non-audit services	**3**	3

The non-audit work conducted by KPMG during 2025/26 was mainly in relation to tax compliance and other advisory services.

Internal Audit

The internal audit is primarily responsible for reviewing the adequacy and effectiveness of internal control procedures and monitoring compliance with them. The annual internal audit programme is drawn up using a risk-based approach and is approved by the ACFC. The annual audit programme focuses on the following key aspects of AAHK's operations:

- Development projects, works and technical maintenance
- Airport management and commercial operations
- Financial, procurement, human resources and information technology management

According to AAHK's internal audit charter, which was approved by the ACFC, internal auditors have unrestricted access to information and complete freedom to draw independent conclusions in their audits. The Chief Internal Auditor reports to the CEO on an administrative basis and has direct access to the ACFC and its Chairman, thereby ensuring independence is maintained.

The quarterly internal audit reports submitted by the Chief Internal Auditor include information on audit issues observed and relevant improvement proposals, as well as results from special reviews or investigations undertaken.

Internal audit conducts an ongoing review of major monitoring and control parameters for major projects, with pertinent observations included in regular reports to the ACFC. This proactive approach aims to provide timely and continual advice to management on issues warranting management attention. That, in turn, helps internal audit render better assurances on project governance.

In addition to the operations outlined above, internal audit's oversight extends to major AAHK subsidiaries, including AVSECO and HKIA Services Holdings Limited (HKIASHL).

Reviews on Internal Controls

Assessing risks and reviewing the effectiveness of internal controls are continuing processes at AAHK.

In addition to the internal and external audits and other review and assurance processes, executive management, assisted by a cross-departmental Internal Control Review Task Force, conducts a comprehensive annual review of AAHK's internal controls in accordance with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework recommended by the Hong Kong Institute of Certified Public Accountants. A semi-annual update is required from all departments on changes to control measures in response to changes to their risk profiles.

The annual internal control review evaluates all of AAHK's major operations and processes based on the five main components of the COSO framework: control environment, risk assessment, control activities, information and communication, and monitoring activities. All AAHK departments and major subsidiaries (including AVSECO and HKIASHL) are required to assess the risks associated with their key work processes and the effectiveness of the controls in place to mitigate such risks. Independent verification of the effectiveness of controls for high-risk areas is carried out. Based on the results of these reviews, AAHK departments and major subsidiaries make representations to executive management as to whether the internal controls are working as intended or enhancements need to be made.

During the year under review, executive management reviewed AAHK's internal control system and concluded that it was effective and adequate. A consolidated internal control report was compiled and submitted to the ACFC. The ACFC reviewed the consolidated report on AAHK's risk profiles and control systems and confirmed that no significant risk control issues needed to be escalated to the Board for immediate action.

The Board then reviewed the effectiveness of AAHK's risk management and internal control systems via this consolidated report after its consideration by the ACFC, and considered the risk management and internal control systems to be effective and adequate.

Details of the principal risk profiles and controls are described in the Risk Management Report on pages 81 to 85.

DELEGATION OF AUTHORITY

AAHK has a comprehensive system of delegation of authority under which the authority of the Board, Board Committees and different levels of executive management are clearly delineated. Such delegation of authority is reviewed from time to time to ensure it meets AAHK's evolving business and operational needs.

Under the current delegations, the WTC and BDC are delegated the power to make commitments of up to HK$1,000 million for works contracts and commercial tenders and HK$100 million for consultancy agreements. The CEO is delegated the power to approve expenditures and commercial contracts up to HK$200 million and consultancy agreements up to HK$50 million.

The CEO is also delegated the full authority to approve commitments that are administrative in nature, including public utilities and government expenditures.

To complement these delegations, a reporting mechanism is in place to keep the Board informed when certain delegated powers are exercised. Regular reports are also made to the ACFC on authority exercised by the CEO for commitments in excess of HK$50 million but not exceeding HK$200 million and commitments that are administrative in nature.

COMPLIANCE

Pursuant to the Ordinance, AAHK was set up to maintain Hong Kong as a centre of international and regional aviation, and to provide, operate, develop and maintain HKIA for civil aviation.

Section 6(1) of the Ordinance provides, inter alia, that AAHK shall conduct its business according to prudent commercial principles. Having regard to this statutory mandate, AAHK endeavours to follow, to the extent applicable to AAHK, the compliance standards of major commercial organisations in Hong Kong.

FINANCIAL PLANNING, CONTROL AND REPORTING

AAHK has a robust and continuous planning process to ensure the organisation can respond to changes in a dynamic business environment in a swift and timely fashion. AAHK prepares a rolling 5-year business plan and financial plan, and an annual business plan and budget for approval by the Board. Timely updates about major developments at AAHK are provided to stakeholders and the public as part of an ongoing communications programme.

Within AAHK's financial control system, there are defined procedures for the appraisal, review and approval of different levels of capital and operating expenditures.

Stringent control and approval procedures are in place to govern expenditures beyond approved budgets. A process has been implemented to require relevant staff to undergo recurrent training on AAHK's financial and internal control policies and procedures.

Results of operations against budget are reported to the ACFC on a quarterly basis and subsequently to the Board. Financial control on major capital projects is reported to and monitored by the WTC at approximately bimonthly intervals. Reporting procedures are in place to ensure a potential delay or cost overrun will be reported to the appropriate level at the earliest possible stage.

Assisted by the ACFC, the Board is responsible for the preparation of financial statements that give a true and fair view of AAHK's financial position and performance. In preparing the annual financial statements, the Board adopts suitable accounting policies and applies them consistently; makes judgements that are prudent and reasonable; and prepares the financial statements on a going concern basis. The audited financial statements are usually submitted to the ACFC for review within two months from the end of the financial year and then to the Board for approval. Financial statements are submitted to the HKSAR Government and the Legislative Council, and published on the HKIA website after approval by the Board.

FINANCIAL REPORTING

AAHK's consolidated financial statements comply with the financial reporting requirements set out in Section 32 of the Ordinance. Our external auditor confirms the consolidated financial statements give a true and fair view of the consolidated financial position of AAHK and its subsidiaries (the Group) as at 31 March 2026 and of the Group's consolidated financial performance and consolidated cash flows for the year then ended, in accordance with Hong Kong financial reporting standards and the Ordinance. AAHK's consolidated financial statements are prepared in compliance, to the extent applicable, with the relevant disclosure provisions in the listing rules issued by the Stock Exchange of Hong Kong Limited. AAHK has voluntarily announced its interim financial results since 2006/07.

Corporate Governance Code

While not being required to comply with the CG Code, AAHK has applied its principles and voluntarily complied with certain applicable parts of the code provisions and the recommended best practices therein generally as deemed appropriate, except for those set out below:

Code Provisions		Reason for Deviation
B.2.2 to B.2.4	These code provisions deal with the retirement by rotation of directors and appointment of independent non-executive directors.	All non-executive Members are appointed by the Chief Executive of the HKSAR pursuant to Section 3 of the Ordinance. Each term is normally three years. Board Members are not subject to re-election but may be reappointed by the Chief Executive.
B.3.1 to B.3.5	These code provisions deal with the nomination committee.	These provisions are not applicable to AAHK. Pursuant to Section 3 of the Ordinance, Board Members are appointed by the Chief Executive of the HKSAR.
C.1.3	Directors must comply with obligations under the Model Code for Securities Transactions and the board should establish guidelines for employees dealing in the securities of the company.	These provisions are not applicable because all of AAHK's shares are held by the HKSAR Government and are not traded.
D.1.2	This code provision relates to the provision of monthly updates on the company's financial and operating performance, position and prospects to the Board.	Considering AAHK's structured revenue stream, AAHK considers a quarterly reporting system more representative of its financial performance. Hence, the provision is not applicable.
E.1.2	This code provision relates to the terms of reference of the remuneration committee.	The provision on the power to determine Board Members' remuneration is not applicable because Section 11(4) of the Ordinance provides that the remuneration of Board Members shall be determined by the Chief Executive of the HKSAR.
F.1.1 – F.1.4	These code provisions relates to shareholders engagement and proceedings for annual general meetings.	The provision is not applicable because AAHK has only one shareholder and is not required to hold annual general meetings.

ACCOUNTABILITY

AAHK considers accountability one of the fundamental pillars of corporate governance and has built its corporate structure and management culture on this concept.

Under the current structure, the Board is accountable for the performance of AAHK. Executive management led by the CEO is responsible for AAHK's day-to-day operations and business, and is accountable to the Board for its performance.

To strengthen the accountability mindset at all levels of the organisation, AAHK has adopted a cost and contribution centres operating model. As relevant and appropriate, operating parameters are set for individual departments for which they are accountable.

ETHICAL CULTURE

AAHK requires all staff to maintain the highest level of ethics and integrity in conducting the affairs of AAHK. To this end, the AAHK Code of Conduct (the Code) provides guidelines to help staff make ethical decisions in the course of discharging their duties, sets out their legal and ethical obligations to AAHK and its stakeholders, and advises them against inappropriate behaviour.

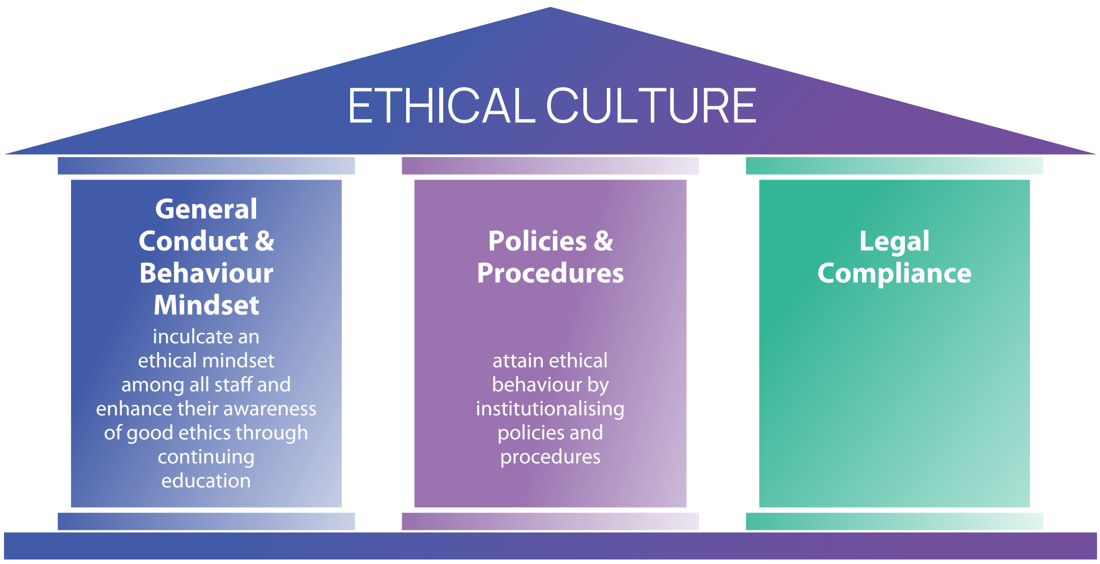
The Code stipulates the standard of behaviour expected of all staff including the requirement to comply with applicable laws and regulations, AAHK's policies on handling conflicts of interest, avoiding solicitation and acceptance of advantages, safeguarding AAHK's property, information and records. The Code was reviewed in August 2016 with reference to the "Sample Code of Conduct for Employees of Public Bodies" issued by the Independent Commission Against Corruption (ICAC). The Code was updated in January 2021 with major changes relating to anti-discrimination to provide broader protection to employees against workplace discrimination and harassment. In October 2022, the Code was updated again to strengthen governance regarding the acceptance of entertainment.

All staff are expected to know and comply with the Code. To this end, every new employee is required to participate in online training on the Code in their first month of employment. Staff are also required to complete an annual refresher course and pass a test. To raise awareness of common forms of corruption and malpractice, and the legal implications for public bodies and their employees, function-specific mandatory training, entitled "Integrity Key to Success", was introduced in 2022/23. All staff are required to attend this training every three years.

To inculcate an ethical mindset among staff and to enhance their awareness of desirable ethical behaviour, organisations, such as the ICAC and the Equal Opportunities Commission, are invited to hold workshops and sharing sessions with case studies throughout the year.

In 2025/26, the Competition Commission was invited to provide an overview of the Competition Ordinance, outline the dos and don'ts under the ordinance, and share ways to combat bid-rigging cartels.

AAHK continued to provide training and guidance to raise staff awareness of the potential risks associated with using artificial intelligence (AI). Internal guidelines are in place for the responsible development and deployment of AI at AAHK. The guidelines are designed to ensure ethical use, compliance with applicable regulations, and the protection of our employees, customers, and communities.



Compliance training is conducted to instil an ethical culture in new staff:

Category	Training/Topic	Timeline
General Mindset and Behaviour (Mandatory)	• Orientation for new hires – Importance and framework of corporate governance – Highlights of Code of Conduct	Within three months
	• Code of Conduct	Within one month of joining AAHK, with an annual refresher
	• Staff Information Security Handbook	Within one month of joining AAHK, with an annual refresher
	• Information classification and handling at HKIA	Within one month
	• Employee Safety Handbook	Within one month
	• Brief introduction to AAHK's environmental management system	Within one month
Legal Compliance (Mandatory)	• Briefing on equal opportunities legislation • Seminar on the Personal Data (Privacy) Ordinance • ICAC integrity training for new recruits of public bodies • National Security Law	Within one month
Procedures and Practices (By Nomination)	• Internal audit workshop • Finance policies workshop • Information technology policies workshop • Procurement policies workshop • Overseas business travel workshop	Within six months

QUALITY OF STAFF

AAHK believes effective corporate governance hinges not only on the control systems in place, but also the people involved in formulating, overseeing and implementing them. Therefore, considerable emphasis is placed on rigorous recruitment and selection, purposeful staff development and succession planning, and a robust compensation and reward system that aims to maintain a team of quality and highly motivated staff. To drive staff performance and behaviour, AAHK implements a variable compensation scheme under which a part of staff remuneration is directly linked to corporate and individual performance, and is payable only when agreed corporate and individual goals and targets are met. The scheme is subject to regular reviews and fine-tuning to keep abreast of changing circumstances and best practices.

WHISTLEBLOWING POLICY

To further strengthen corporate governance, a whistleblowing policy is in place to encourage and guide staff to raise serious concerns about impropriety, including malpractice, unethical behaviour and violations of the Code, directly to the Chief Internal Auditor for investigation, if appropriate, without any risk of retribution. The ACFC is apprised of the resolution of matters requiring investigation. Ethics-related matters are referred to the Ethics Panel for review. Comprising members of senior management, the panel makes recommendations to the CEO after due consideration. The whistleblowing framework is subject to regular review for pragmatic improvements.

RISK MANAGEMENT

Airport Authority Hong Kong (AAHK) recognises the risks it faces and manages those risks by establishing a good internal control environment and making continual improvements in response to changes in the operational environment and its business needs. The Corporate Governance Report on pages 55 to 80 sets out details of AAHK's risk management and internal control systems.

RISK PROFILES AND CONTROLS

The key risks identified in the annual review for 2025/26 and controls put in place are set out in the following section.

A detailed description of the major risk factors relating to the Hong Kong dollar retail bond issued on 5 February 2024 is on pages 66 to 82 of the offering memorandum (www.hongkongairport.com/iwov-resources/file/airport-authority/Retail_Bond/Rail_Bond_Offering_Memorandum_en.pdf).

Strategic and Operational Risks

Strategic risks may arise from poor business decisions, substandard execution of decisions, inadequate resources or failure to respond to changes in the business environment. Inadequate or failed procedures, systems or policies can lead to operational risks.

Major Challenges	• Strengthening the position of Hong Kong International Airport (HKIA) as a leading international aviation hub and building HKIA as The Hub of Asia • Driving the growth of passenger traffic at HKIA amid intensifying regional competition, geopolitical uncertainties, and evolving global supply chains and trade flows • Supporting Hong Kong as a regional hub for aircraft parts processing, certification and trading • Maintaining high service standards amid changing consumer behaviours and expectations • Preparing for unforeseen disruptions to flow management • Attracting and retaining sufficient staff for the operation and development of HKIA amid manpower shortages in the aviation industry
Controls in Place	• Realising the Airport City vision to help enhance Hong Kong's long-term competitiveness and economic development • Expanding and accelerating route development and enhancing connectivity and services with the Greater Bay Area • Maintaining close collaboration with trade and government bodies, and engaging external consultants and specialists to strengthen in-house project management resources if needed and stay abreast of aviation developments • Partnering with international specialist organisations to enhance aircraft engineering training under the Hong Kong International Aviation Academy (HKIAA) • Constant monitoring and regular review of service delivery standards, and adopting predictive and smart technologies where appropriate to improve operational efficiency • Conducting regular drills and having contingency plans in place to test response capabilities and ensure efficient and safe operation • Administering and facilitating the Hong Kong Government's Labour Importation Scheme for the Transport Sector – Aviation Industry and Labour Importation Scheme for the Construction Sector for recruitment of labour across the airport community • Building a skilled and future-ready workforce through the HKIAA to sustain Hong Kong's aviation ecosystem

Environmental Risks

Sustainability and environmental considerations are integral to AAHK's strategies for developing and expanding HKIA. AAHK is committed to ensuring that environmental impacts are managed and, wherever possible, minimised in our operations and development.

Environmental risks are identified and assessed through an internal control exercise. Material risks to the Sustainability Risk Profile are escalated to senior management, who will consider preventive or responsive controls. Where relevant, the advice and support of the Audit Committee and Finance Committee (ACFC) and/or the Board will be sought for appropriate mitigation measures. At the Board level, the ACFC is responsible for monitoring and overseeing sustainability issues relating to HKIA's operation and development. The ACFC also reviews and reports to the Board, as appropriate, on the performance of management's ongoing monitoring of sustainability risks and opportunities.

Three categories of environmental risk have been identified: regulatory, reputational and operational. Examples of challenges are shown below:

Major Challenges	• Meeting more stringent environmental regulations and standards • Implementing initiatives to achieve AAHK's environmental targets
Controls in Place	• Adopting an airport-wide approach that proactively engages AAHK's business partners in a range of environmental programmes • Maintaining an environmental management system in accordance with ISO 14001 • Implementing an Annual Environmental Sustainability Plan that focuses on key areas and sets out targets and high-level actions to reduce the environmental footprint associated with the airport operations • Ensuring that environmental considerations are incorporated in the ongoing and new projects from an early planning stage • Piloting new technologies and scaling up initiatives that can significantly reduce HKIA's environmental footprint • Ensuring any environmental initiatives implemented are supported by a sound business case that is based on a combination of cost and/or risk reduction

Details of AAHK's environmental initiatives are set out in Sustainability Report 2024/25, which is available at https://www.hongkongairport.com/iwov-resources/file/sustainability/sustainability-report/AA_Sustainability_Report_202425_ENG.pdf Sustainability Report 2025/26 will be released in August 2026.

Safety, Security and Business Continuity Risks

The application of technology forms the cornerstone of HKIA's approach to security management, and is emerging in safety management as well. Technological innovations bring increased operational efficiency, enhanced security and safety, and an improved passenger experience at HKIA. The effective planning and implementation of technology-driven solutions including robotics, facial recognition, video analytics, advanced X-ray equipment, artificial intelligence, etc., are a focus at HKIA over the next decade. AAHK is aware of the emerging risks associated with reliance on technology, and remains vigilant to risks that may compromise a safe and secure operating environment.

Major Challenges	• Sustaining efforts to maintain safe operations at HKIA and fostering a positive safety culture among the airport community amid continued growth in air traffic, alongside the commissioning of large new airport facilities • Coping with the growth in demand for security personnel arising from the higher passenger throughput, the commissioning of new facilities, and heightened complexity and risk of the security environment due to safety concerns or geopolitical developments • Ensuring airport business continuity against disruptions associated with inherent aviation risks under a new, ever-expanding, and complex 3RS operating environment, as well as unpredictable emerging health risks
Controls in Place	**Safety** • Operating and maintaining a comprehensive safety management system, with periodic reviews and updates to the Aerodrome Safety Management System Manual to ensure its ongoing relevance, effectiveness, and continuous improvement • Fire safety is further strengthened through comprehensive reviews of fire safety management plans for dedicated facilities • Implementing a robust safety risk management framework incorporating hazard identification, risk assessment, and mitigation measures, including enhancements to the Live Operations Risk Assessment Register to systematically monitor risks arising from aerodrome development projects and day-to-day operations, thereby strengthening the change management culture at HKIA • Conducting different regular in-house and onsite training, alongside airport-wide safety promotion initiatives, to enhance staff preparedness, reinforce safety awareness, and foster a strong positive safety culture across the airport community, while encouraging airport stakeholders to adopt safety technologies across different operational areas **Security** • Continuing to leverage the Labour Importation Scheme for the Transport Sector – Aviation Industry and Hong Kong International Aviation Academy's Greater Bay Area Youth Aviation Industry Internship Programme to ensure manpower supply can cope with operational demand • Enhancing HKIA's security level and operational efficiency by using the latest technologies. This includes the continued adoption of facial recognition technology in access control systems for airport staff, closed-circuit television system to facilitate identification of targeted airport users, and computed tomography-based X-ray scanning technology for passenger and staff security screening • Working closely with professionals to ensure security-by-design and security-by-construction are incorporated in HKIA's expansion projects • Working with airport stakeholders to assess international practices, review operational efficiency, and explore avenues to enhance compliance with stricter lithium battery carriage regulations **Business Continuity** • Fostering operational resilience by implementing risk management to identify major operational risks, mitigations and contingencies, including those relevant to the commissioning of Terminal 2 • Strengthening HKIA's readiness to respond to multi-scenario emergencies and disruptions by conducting exercises, drills and training amid traffic growth, increasing frequency of extreme weather events, emerging security risks, new technology deployment, as well as through timely dissemination of advice to the airport community on global public health concerns, including Chikungunya fever and Nipah virus infection, etc. • Promoting business continuity awareness across the airport community through workshops, posters, leaflets, videos, online games, etc.

Financial Risks

AAHK is exposed to a variety of financial risks.

Major Challenges	• Credit risk • Liquidity risk • Interest rate risk • Foreign currency risk
Controls in Place	• Having credit policies in place and monitoring exposure to credit risks on an ongoing basis • Regular monitoring of current and expected liquidity requirements to ensure AAHK maintains sufficient cash reserves and credit facilities from major financial institutions to meet its liquidity requirements in the short and long term • Using interest rate swaps, denominated in Hong Kong dollars, to achieve an appropriate mix of fixed and floating interest rate exposure • Using currency swaps and forward exchange contracts to manage foreign currency risk • Details of AAHK's exposure to financial risks and the policies and practices adopted to manage these risks are described in Note 22 to the Financial Statements on pages 143 to 152

Information Technology Risks

The effectiveness and security of information technology (IT) systems is instrumental to HKIA's operational resilience. A disruption to HKIA's IT services or a system failure may affect airport operations.

Major Challenges	• With the increasing adoption of AI, both users and malicious actors are leveraging AI technologies. While AI enhances productivity and its use is becoming inevitable, the associated risks are also rising. These include data leakage risks and increased operational complexity arising from greater reliance on AI-enabled systems
Controls in Place	• IT governance and cybersecurity risk management frameworks are in place to ensure consistent risk assessment and management • Implementing Generative AI security guidelines to govern AI development and use, while providing a principled and flexible framework for responsible adoption of AI • Annual review to ensure IT projects align with corporate strategies • Continuous monitoring of emerging IT security risks, with proactive measures to enhance risk awareness and mitigate risks • Preventive, detective and containment measures deployed to help mitigate security threats. Provision of monitoring tools to alert management to risks and vulnerabilities • Adopting advanced technologies and AI-enabled cybersecurity solutions to deal with the increasing complexity of cyberattacks in a timely manner • Annual IT review and mitigation planning process are in place. The progress of this process is reviewed regularly • Monitoring of the strategic direction of technology adoption, AI, innovation and cybersecurity control and obtaining steering from executive management, where necessary, on an ongoing basis

Legal and Regulatory Risks

Effective management of legal and regulatory risks helps management avoid taking unnecessary and imprudent risks in the business, operation and development of HKIA.

Major Challenges	• Violation of laws, non-compliance with regulatory requirements and breach of contracts, even if unintentional, may bring about legal consequences affecting AAHK, including damage to reputation, disruption to business or operations, and pecuniary loss associated with enforcement actions and lawsuits • Growing complexity in global regulatory regimes and increasing extraterritorial effects may affect the existing and future business relationships or arrangements between AAHK and its business partners or suppliers • New and enlarged global data privacy regulations and increasing extraterritorial effects may increase AAHK's compliance costs and affect its business operations
Controls in Place	• Adopting a proactive and forward-looking approach to monitor changes in government policy and legislation • Review of judgments, rulings, regulatory actions and industry trends to identify potential areas of risks to AAHK • Policies, procedures and mitigation measures are in place to manage risks and address changes in a timely way. These tools guide management to operate legally and within AAHK's acceptable risk level • Ongoing liaison with management to manage risks and adapt to any changes

Human Resources Risks

Airport development to meet future demand is a key work focus in the medium to long term. An insufficient supply of talent to support airport development will adversely affect HKIA's growth and hub position.

Major Challenges	• Acquiring sufficient talent to support HKIA's development • Implementing staff development plans to support AAHK's long-term development • Maintaining an effective remuneration system to drive performance and retain good performers
Controls in Place	• A human resources plan up to 2030/31 and resourcing strategies are in place to ensure a timely supply of talent • Continued enhancement to AAHK's people development framework and training curriculum to ensure staff possess the expertise and experience to support the airport's growth • Periodic reviews of the remuneration framework, including grading, salary and benefits structures and pay mix, to maintain sound principles for determining individual remuneration packages at all levels

Reputation Risks

Public sentiment and socio-economic dynamics may have implications for AAHK's corporate image.

Major Challenges	• Managing and pre-empting possible reputational risks
Controls in Place	• Close monitoring of public sentiment and socio-economic dynamics • Continuous engagement with key stakeholders to enhance their understanding of and gauge their views on HKIA's short-, medium- and long-term development • Tracking and monitoring public affairs issues with the use of a database • Engagement plans are in place to ensure effective communication with key stakeholder groups on an ongoing basis • Publicising HKIA's achievements and accomplishments to encourage positive perceptions of the airport and AAHK

FINANCIAL REVIEW

Financial Summary – Key Performance Metrics

The Airport Authority Hong Kong (AAHK) and its subsidiaries, collectively referred to as the Group, delivered solid financial results for fiscal 2025/26. Total revenue reached HK$18,263 million, representing an 11.3% increase from the prior year. The Group maintained stable earnings before interest, taxes, depreciation and amortisation (EBITDA) at HK$7,368 million, consistent with the previous year's performance. However, profit attributable to the ordinary shareholder decreased 16.8% to HK$2,043 million. The EBITDA margin stood at 40.3%, reflecting the Group's operational efficiency despite increased expenses. The Board declared a dividend of HK$500 million for the year.

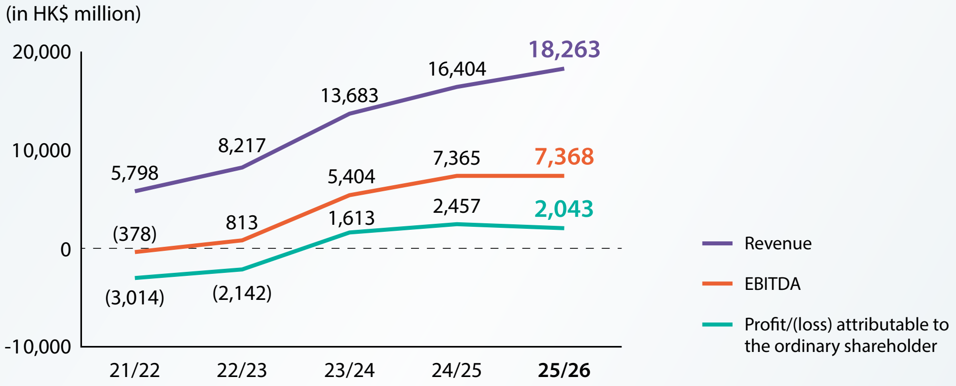
Metric (HK$ million)	**2025/26**	2024/25	+/-%
Revenue	**18,263**	16,404	+11.3%
Operating expenses before depreciation and amortisation	**10,895**	9,039	+20.5%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**7,368**	7,365	–
Depreciation and amortisation	**4,198**	4,020	+4.4%
Profit for the year	**2,350**	2,753	-14.6%
Profit attributable to the ordinary shareholder	**2,043**	2,457	-16.8%
Dividend declared	**500**	1,300	-61.5%

TRAFFIC PERFORMANCE – STRONG RECOVERY CONTINUES

Hong Kong International Airport (HKIA) welcomed 63.0 million passengers during fiscal 2025/26, a robust 14.7% increase compared to the previous year. The airport handled 399,450 aircraft movements, up 7.1% year-over-year. Cargo and airmail throughput rose 2.7% to reach 5.1 million tonnes, despite trade tension from geopolitics.

This traffic growth reflects the continued recovery of air travel demand and the benefits from long-term investments in infrastructure and network development. The increase in passenger traffic, flight movements, and cargo throughput directly contributed to the Group's revenue growth through higher airport and security charges, airside support services franchises, and retail concessions.

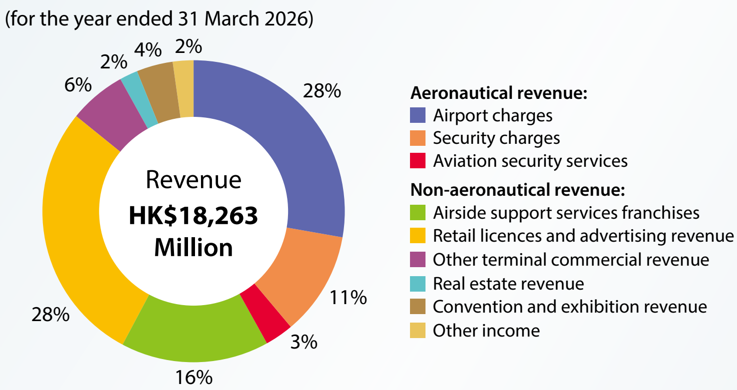
Financial Results



REVENUE

The Group's total revenue of HK$18,263 million comprised two main categories: aeronautical revenue and non-aeronautical revenue. Aeronautical revenue, which includes airport and security charges plus aviation security services, totaled HK$7,497 million and represented 41.1% of total revenue. Non-aeronautical revenue reached HK$10,766 million, accounting for 58.9% of total revenue and reflecting an 11.1% increase from the prior year. This balanced revenue composition demonstrates AAHK's diversified business model, which reduces reliance on any single revenue stream and positions the airport to capitalize on multiple growth opportunities as passenger traffic continues to expand.

Revenue by Source



Aeronautical Revenue

Aeronautical revenue increased in line with traffic growth during fiscal 2025/26. Airport and security charges, the largest component, grew 12.3% to HK$7,028 million and represented 38.5% of total revenue. This category includes income from aircraft landing and parking, use of passenger terminal buildings and related facilities, and security services for departing passengers. The growth was primarily driven by increases in departing passengers and passenger flight movements, which generated higher landing and parking charges, terminal building charges and passenger security charges, as well as the full-year impact of the adjustment of passenger security charges from HK$55 to HK$65 effective from 1 January 2025. Aviation security services revenue, representing 2.6% of total revenue, grew 2.6% to HK$469 million due to increased demand from airlines, franchisees, and licensees arising from traffic growth.

Non-Aeronautical Revenue

Non-aeronautical revenue demonstrated strong performance across multiple categories. Retail licenses and advertising revenue, the largest non-aeronautical category at 28.4% of total revenue, grew 11.0% to HK$5,186 million, primarily due to passenger traffic growth. This category includes rents and fees from licensees providing duty-free shops, general merchandise, food and beverage outlets, and advertising at HKIA.

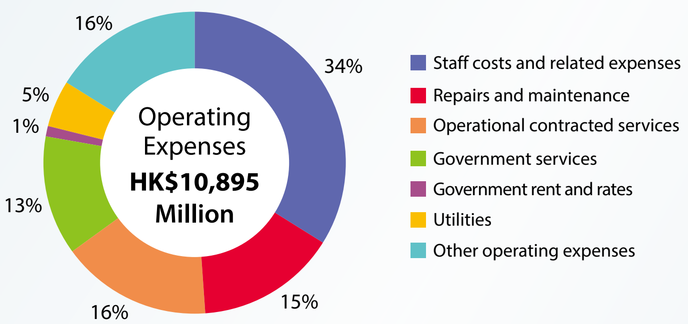
Airside support services franchises, representing 16.2% of total revenue, rose 7.6% to HK$2,965 million. This increase resulted from higher franchise fees for aircraft catering, ramp handling, the business aviation centre, and the aviation fuel system, all driven by increased flight movements.

Other terminal commercial revenue grew 14.1% to HK$1,082 million (5.9% of total revenue), largely due to new airline lounges opening and the cessation of rental relief for offices and lounges. Convention and exhibition revenue from AsiaWorld-Expo increased 8.0% to HK$808 million (4.4% of total revenue), mainly from growth in event production services.

OPERATING EXPENSES

Operating Expenses by Category

(for the year ended 31 March 2026)



Total operating expenses before depreciation and amortisation increased 20.5% to HK$10,895 million, primarily due to traffic growth, commissioning of new facilities and systems, and marketing support for retail licensees. The Group maintained stringent financial discipline while upholding the highest standards of safety, security, service, and sustainability. Approximately 38.2% of the Group's total operating expenses (including depreciation and amortisation) relate to depreciation and amortisation, government services, and government rent and rates – costs over which the Group has limited control.

Staff costs increased 8.2% to HK$3,681 million (33.8% of operating expenses), mainly due to additional aviation security personnel required to handle traffic growth. Repairs and maintenance costs grew 30.4% to HK$1,663 million (15.3% of operating expenses), principally reflecting the full-year impact of commissioning the Three-runway System and additional airfield and terminal work to ensure safe operations.

Operational contracted services increased 18.5% to HK$1,717 million (15.8% of operating expenses), driven by traffic growth, new facilities such as the Coach Hall at Terminal 2 and automated car park, plus salvage operations for an aircraft incident in October 2025. Government services expenses rose 29.6% to HK$1,358 million (12.5% of operating expenses) due to higher air traffic control fees from increased flight movements.

EBITDA

Despite the increase in operating expenses in 2025/26, EBITDA remains flat at HK$7,368 million, reflecting the Group's operating efficiency.

DEPRECIATION

Depreciation and amortisation increased 4.4% to HK$4,198 million, mainly due to the completion of expansion and improvement projects for facilities and systems during the fiscal year.

MAINLAND AIRPORT INVESTMENTS

The Group maintains strategic investments in two Chinese Mainland airports that experienced mixed performance during the year. Hangzhou Xiaoshan International Airport (HXIA) showed strong growth in calendar 2025, with passenger traffic rising 5% to 50.5 million, flight movements increasing 2.8% to 329,000, and cargo throughput growing 7.9% to 793,000 tonnes. As a result, AAHK's share of HXIA's loss decreased to HK$133 million in fiscal 2025/26, an improvement largely attributable to strong traffic growth.

At Zhuhai Airport, passenger traffic grew 2.2% to 13 million in calendar 2025 and cargo throughput grew 15.5% to 40,000 tonnes. AAHK's share of Hong Kong-Zhuhai Airport Management Co., Ltd.'s profit decreased 17.5% to HK$33 million, primarily due to increased operating expenses. The Group's interests in joint ventures increased to HK$6,201 million, mainly reflecting the acquisition of Zhuhai Airport Group Limited on 1 April 2025.

FINANCIAL POSITION AND CAPITAL STRUCTURE

The Group maintained a strong and well-capitalized financial position. Total equity stood at HK$91,614 million as of 31 March 2026. Investment property, interest in leasehold land, and other property, plant and equipment totaled HK$228,464 million, representing 87.7% of total assets.

The Group's total borrowings amounted to HK$144,140 million as of 31 March 2026, down from HK$162,163 million in the prior year. The total debt to capital ratio improved to 61% from 64%, while the net debt to net capital ratio increased slightly to 57% from 54%.

Trade and other receivables decreased 38.4% to HK$4,447 million, primarily due to the completion of acquisitions that were prepaid in the previous year.

CASH FLOW, FINANCING, AND RISK MANAGEMENT

Net cash generated from operating activities increased substantially from HK$6,944 million in fiscal 2024/25 to HK$8,925 million in 2025/26, reflecting improved operating results. Capital expenditures payments totaled HK$20,128 million, mainly for the 3RS project.

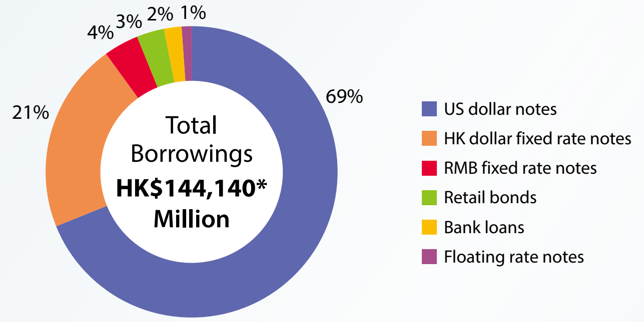
Debt Management

During the year, the Group repaid HK$17.5 billion in term loans, HK$700 million in Hong Kong dollar notes, and US$500 million in US dollar notes upon maturity. In July 2025, AAHK signed new five-year dual-tranche unsecured revolving credit facilities totaling HK$17.5 billion and RMB 2 billion to replace facilities that matured in June 2025; these facilities remained undrawn as of 31 March 2026.

AAHK also expanded its medium-term note program from US$8 billion to US$20 billion, providing flexibility to access capital markets when needed.

Loan Facilities and Bond Issuances

(as at 31 March 2026)

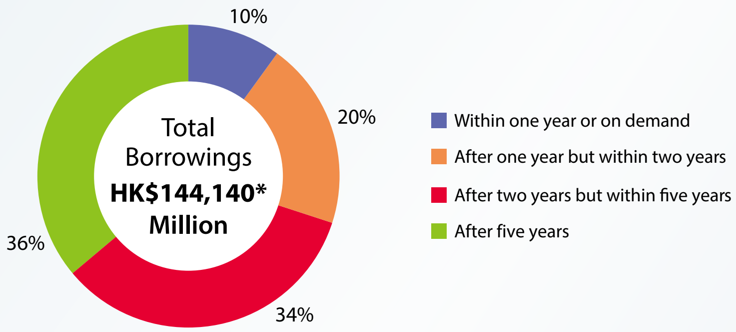


* After unamortised finance costs of HK$567 million.

The composition of borrowings demonstrates AAHK's diversified financing strategy, balancing term loans, revolving credit facilities, and various bond issuances across multiple currencies and markets.

Loan Maturity Profile

(as at 31 March 2026)



* After unamortised finance costs of HK$567 million.

The maturity profile shows a well-distributed debt structure, reducing refinancing risks and ensuring manageable repayment schedules across different time horizons.

Credit Rating and Risk Management

S&P Global reaffirmed AAHK's long-term local and foreign currency debt rating as AA+, matching the Hong Kong SAR Government's rating. The Group manages financial risks through diversified borrowing schedules and uses financial instruments such as interest rate swaps, cross-currency swaps, and forward exchange contracts to hedge risks. AAHK maintains an appropriate mix of fixed and floating rate borrowings to reduce interest rate fluctuation impacts on earnings.

THREE-RUNWAY SYSTEM AND AIRPORT EXPANSION

The Three-runway System (3RS), HKIA's largest expansion project to date, forms the foundation for the airport's long-term development and increases annual capacity to 120 million passengers and 10 million tonnes of cargo. Following the 3RS commissioning, expanded Terminal 2 departure facilities commenced operations in May 2026, with additional passenger facilities scheduled to enter service in the coming months. Development of the Terminal 2 Concourse continues to progress.

The Group is transforming HKIA into an integrated Airport City. SKYTOPIA, at the heart of this blueprint, will leverage land and marine resources near HKIA to create a world-class destination integrating commerce, popular culture, art trading, entertainment, and leisure. SKYTOPIA will feature Hong Kong's first integrated art hub combining creation, appreciation, and trading, fostering a unique artistic ecosystem that positions Hong Kong as a global leader in art trading.

The development includes Hong Kong's largest marina with approximately 600 berths, a luxury hotel, a marine resort, and Hong Kong's largest aquatic entertainment area. Construction of AsiaWorld-Expo Phase 2 has begun and will introduce Hong Kong's largest indoor arena with 20,000 seats, targeted to open by the end of 2028.

STRATEGIC OUTLOOK – STRENGTHENING CONNECTIVITY AND COMPETITIVENESS

AAHK remains committed to strengthening HKIA's position as an international aviation hub through multiple strategic initiatives. The Airport Network Development Programme offers incentives for airlines to start new routes or increase frequencies to HKIA. In April 2026, HKIA was recognized as the world's busiest cargo airport for the 15th time since 2010. To enhance logistics connectivity with Mainland China, HKIA launched a pilot sea-air intermodal cargo transhipment scheme between Dongguan and HKIA, with a permanent facility at HKIA Dongguan Logistics Park expected to be fully operational in 2027 with annual capacity of 1 million tonnes. The United Parcel Service cargo hub, scheduled to open in 2028 with nearly 1 million tonnes annual capacity, will further reinforce HKIA's position as a leading global air cargo and e-commerce hub.

For passengers, the Group is strengthening intermodal connectivity between HKIA and the Greater Bay Area. The "Park & Visit" service, launching in fiscal 2026/27, will allow travelers arriving by car via the Hong Kong-Zhuhai-Macao Bridge to park and visit SKYTOPIA and other Hong Kong destinations. Technology innovations include a generative artificial intelligence system with a human-like avatar deployed in Terminal 1 to handle passenger inquiries, and a smart security screening system allowing passengers to keep electronic devices and liquids in carry-on luggage during screening, targeted for airport-wide deployment by 2027.

The Airportcity Link, Hong Kong's first autonomous mass transportation system connecting the airport island to the HZMB Hong Kong Port, and the Airport Tung Chung Link between SKYTOPIA and Tung Chung town center (expected completion 2028/29) will further enhance connectivity.

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REPORT OF THE MEMBERS OF THE BOARD

Financial year ended 31 March 2026

The Members of the Board submit the annual report of Airport Authority Hong Kong (AAHK) together with the audited consolidated financial statements for the year ended 31 March 2026.

Principal Activities

Pursuant to the Airport Authority Ordinance (Cap. 483) (the Ordinance) and the objective of maintaining Hong Kong's status as a centre of international and regional aviation, AAHK is responsible for the provision, operation, development and maintenance of Hong Kong International Airport (HKIA) situated at Chek Lap Kok, Lantau, Hong Kong, and the provision of facilities, amenities and services at, as regards or in relation to HKIA. AAHK may also engage in airport-related activities in trade, commerce or industry at or from any place on the airport island, and other airport-related activities as permitted by the Airport Authority (Permitted Airport-related Activities) Order (Cap. 483E). AAHK is required under the Ordinance to conduct its business according to prudent commercial principles.

The principal activities and other particulars of AAHK's subsidiaries are set out in Note 11 to the Financial Statements.

Financial Statements

The financial performance of AAHK and its subsidiaries (the Group) for the year ended 31 March 2026 and the Group's financial position as at that date are set out in the Financial Statements on pages 103 to 170.

Dividend

The Ordinance provides that AAHK may declare and pay dividends on shares issued to the Government and that the Financial Secretary may, after taking into account the financial position of the Group, direct AAHK to pay dividend or otherwise out of the distributable profits of AAHK. The declaration of any dividend, and the amount thereof, is subject to the discretion of the Board and is determined on an annual basis. Dividend payments were suspended from 2014/15 to 2023/24 to fund the Three-runway System project. A final dividend of HK$1,300 million was declared and paid for the year 2024/25. The Board now recommends the payment of a final dividend of HK$500 million for the year ended 31 March 2026.

Reserves

Movements in reserves during the year are set out in the Consolidated Statement of Changes in Equity on page 106.

Investment Property; Interest in Leasehold Land; and Other Property, Plant and Equipment

Movements in investment property; interest in leasehold land; and other property, plant and equipment during the year are set out in Note 9 to the Financial Statements.

Capitalised Interest

Interest amounting to HK$4,332 million (2024/25: HK$3,481 million) was capitalised by the Group during the year as set out in Note 5 to the Financial Statements.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 March 2026 are set out in Note 16 to the Financial Statements.

Financial Summary

A summary of the financial results and the assets and liabilities of the Group for the last five financial years is set out on page 171.

Share Capital

Under the terms of the Ordinance, AAHK may only issue shares to the Government of the Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China, on behalf of which all shares are held by the Financial Secretary Incorporated. No shares were issued or cancelled during the year ended 31 March 2026.

Donations

Donations made during the year amounted to HK$757,000 (2024/25: HK$727,000), which was funded partly from sales of lost-and-found items at the airport.

Major Customers and Suppliers

The information in respect to the Group's sales and purchases attributable to major customers and suppliers during the financial year was as follows:

	Percentage of the Group's total	
	Sales	**Purchases**
The largest customer	**25%**	
Top five customers	**44%**	
The largest supplier		**24%**
Top five suppliers		**35%**

Purchases are exclusive of supplies of a capital nature.

Going Concern

The financial statements on pages 103 to 170 have been prepared on a going concern basis. The Board has approved AAHK's budget for 2026/27 and the business plan and financial plan for 2026/27 to 2030/31 and is satisfied that AAHK has sufficient resources to continue as a going concern for the foreseeable future.

Retirement Schemes

Details of AAHK's retirement schemes are set out in Note 19 to the Financial Statements. The administration of the retirement schemes and AAHK's contributions thereto are reviewed periodically with reference to reports of the investment manager of the schemes and independent actuaries.

Corporate Governance

Principal corporate governance practices adopted by AAHK are set out in the Corporate Governance Report on pages 55 to 80.

Employees

As of 31 March 2026, AAHK, excluding its subsidiaries, had 2,987 staff, including 1,966 male and 1,021 female staff (31 March 2025: 3,109). AAHK has in place human resources policies to ensure that employees' remuneration is competitive and that employees are rewarded according to their performance within the framework of AAHK's performance management and reward system. To further strengthen the pay-for-performance culture, a variable compensation scheme has been in place since 2002. Regular reviews are conducted to ensure AAHK's remuneration packages are competitive in the market.

Members of the Board, Chief Executive Officer and Executive Directors

Biographies of the Members of the Board and Executive Directors (EDs) as at the date of this report are set out on pages 12 to 17. Changes to the composition of the Board from the beginning of the financial year to the date of this report are as follows:

- Mr William Ho Tat was appointed Executive Director, Corporate Development on 1 September 2025
- Mr Ricky Leung Wing-kee, former Executive Director, Engineering & Technology, retired on 1 October 2025

Interest of Members of the Board and Executive Directors in Contracts

No contracts of significance to which AAHK or any of its subsidiaries was a party and in which a Member of the Board or an Executive Director had a material interest subsisted at the end of the year or at any time during the year. At no time during the year was AAHK or any of its subsidiaries a party to any arrangements to enable any Member of the Board or an Executive Director to acquire benefits by means of acquisition of shares of AAHK or of any body corporate.

Related-party Transactions

Details of material related-party transactions entered into or ongoing during the year are set out in Note 24 to the Financial Statements.

Members' Responsibilities for the Financial Statements

The Members of the Board are responsible for the preparation of financial statements for each financial year that give a true and fair view of the financial position of the Group and of the Group's financial performance and cash flows for the period. In preparing the financial statements for the year ended 31 March 2026, the Members of the Board selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; and prepared the financial statements on a going concern basis. The Members of the Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group.

Auditors

In accordance with Section 32 of the Ordinance, the Chief Executive of the HKSAR approved the appointment of KPMG as auditors, and they remain in office.

Changes After Closure of Financial Year

This report takes into account changes that occurred between the financial year-end and the date of the approval of this report.

By order of the Board

Ivy Chan
Secretary to the Board

Hong Kong, 29 May 2026

INDEPENDENT AUDITOR'S REPORT

To the Airport Authority
(incorporated in Hong Kong under the Airport Authority Ordinance)

Opinion

We have audited the consolidated financial statements of the Airport Authority ("the Authority") and its subsidiaries (together "the group") set out on pages 103 to 170, which comprise the consolidated statement of financial position as at 31 March 2026, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31 March 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Airport Authority Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Recognition of revenue from airport and security charges, airside support services franchises, retail licences and advertising	
Refer to note 28(t) to the consolidated financial statements for the relevant accounting policies	
The Key Audit Matter	**How the matter was addressed in our audit**
Revenue from airport and security charges, airside support services franchises, retail licences and advertising accounted for approximately 83% of the Authority's total revenue for the year ended 31 March 2026. Airport and security charges are recognised when the airport facilities are utilised. Revenue is determined based on aircraft movements and passenger traffic captured by the Authority's information technology systems which are complex and involve multiple interfaces. Revenue from airside support services franchises, retail licences and advertising (collectively "franchise and licence operations") is generally charged at the higher of (1) a minimum fee based on throughput, passenger numbers, rental indices or areas occupied, and (2) amounts calculated based on pre-determined percentages of gross revenue earned by the franchisees and licensees ("royalties"). For certain franchisees, franchise revenue is charged based on a minimum fee and royalties. Revenue from franchise and licence operations is recognised in instalments over the accounting periods covered by the franchise and licence agreements, taking into account adjustments to the minimum fee due to changes in throughput, passenger numbers, rental indices or areas occupied and adjustments for any royalties payable by the franchisees and licensees during the billing period. We identified the recognition of revenue from airport and security charges and franchise and licence operations as a key audit matter because of its significance to the consolidated financial statements and because the determination of airport and security charges involves complex information technology systems.	Our audit procedures to assess the recognition of revenue from airport and security charges and franchise and licence operations included the following: • evaluating the design, implementation and operating effectiveness of key internal controls over the recording of revenue, which included, for revenue from airport and security charges, engaging our internal information technology specialists to assess the operating effectiveness of key automated controls and interfaces over the capturing of aircraft movements and passenger traffic and the processing of revenue transactions and to assess the completeness and accuracy of the transaction details contained within the Authority's information technology systems; • performing analytical procedures on the Authority's airport and security charges recognised during the current year by developing expectations with reference to figures for aircraft movements and passenger traffic extracted from government statistics, agreements on security charges with airlines and the Scheme of Airport Charges published in the Government Gazette and comparing our expectations with the revenue recorded by the Authority; • for franchise and licence operations, comparing the minimum fees/licence fee received and receivable with underlying franchise/licence information, including the licence fee/monthly payments and the franchise/licence periods as set out in the signed franchise/licence agreements, on a sample basis; • for franchise and licence operations, re-performing the calculation of minimum fees and assessing whether the minimum fees or the royalties, whichever was higher, had been recorded in the appropriate accounting period; and • for franchise and licence operations, re-performing the calculation of royalties received and receivable with reference to turnover reports submitted by the franchisees and licensees and the bases of calculation thereof as set out in the signed franchise/licence agreements, on a sample basis, and assessing whether the royalties had been recorded and accounted for in the appropriate accounting period.

Key Audit Matters (continued)

Assessing project provisions for capital works projects

Refer to note 26(b)(ii) to the consolidated financial statements and notes 28(g)(vi) and 28(s) for the relevant accounting policies

The Key Audit Matter	How the matter was addressed in our audit
The Authority undertakes a number of capital works projects at Hong Kong International Airport. These projects may take several years to complete and the contractual arrangements can be complex. The Authority establishes project provisions for the estimated amounts which will be required to settle claims from contractors which may arise due to time delays, additional costs or other unforeseen circumstances. The assessment of the required project provisions involves the exercise of significant management judgement which can be inherently uncertain because the amounts eventually payable may be different from the recorded project provisions. We identified assessing project provisions for capital works projects as a key audit matter because the assessment of project claims and the determination of project provisions involves the exercise of significant management judgement and estimation which can be inherently uncertain.	Our audit procedures to assess project provisions for capital works projects included the following: • assessing the design and implementation of management's key internal controls over the assessment of project claims; • inspecting the minutes of the relevant Board committee responsible for overseeing the progress of capital works projects and discussing with management the project status, including the costs incurred to date, the remaining critical milestones and contract claims, and assessing the financial implications for the Authority; • obtaining the project claim status report as at the reporting date, comparing the claims amount recorded in this report with claim submissions from contractors, discussing with the Project Accounting and Control Team of Finance Division and the projects departments the projects' current status and the project provisions made, on a sample basis, and challenging the assumptions and critical judgements made by management which impacted their estimation of project provisions by comparing these assumptions, on a sample basis, with key contract terms and correspondence with the contractors; • performing a retrospective review, on a sample basis, of capital works projects completed or claims finalised during the current year by comparing the actual settlement of costs during the current year, including project claims, with estimates made as at 31 March 2025 to assess the reliability of management's assessment process and evaluating significant variances identified; and • in respect of projects which were undergoing dispute resolution procedures, holding discussions with management and the Authority's internal legal counsel to assess the Authority's legal obligations and financial exposure in connection with these claims.

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The Board Members are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board Members for the Consolidated Financial Statements

The Board Members are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Airport Authority Ordinance and for such internal control as the Board Members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board Members are responsible for assessing the group'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 Board Members either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The Board Members are assisted by the Audit Committee and Finance Committee in discharging their responsibilities for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. This report is made solely to you, as a body, in accordance with section 32 of the Airport Authority Ordinance, 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 HKSAs 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 consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' 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 group'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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee and Finance Committee 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 the Audit Committee and Finance Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 the Audit Committee and Finance Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of 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 Yau Ngai Lun, Alan (practising certificate number: P06436).

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 May 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026 (Expressed in Hong Kong dollars)

$ million	Note	**2026**	2025
Airport charges		**5,001**	4,725
Security charges		**2,027**	1,532
Aviation security services		**469**	457
Airside support services franchises		**2,965**	2,755
Retail licences and advertising revenue		**5,186**	4,674
Other terminal commercial revenue		**1,082**	948
Real estate revenue		**360**	319
Convention and exhibition revenue		**808**	748
Other income		**365**	246
Revenue	8	**18,263**	16,404
Staff costs and related expenses	4	**(3,681)**	(3,401)
Repairs and maintenance		**(1,663)**	(1,275)
Operational contracted services		**(1,717)**	(1,449)
Government services		**(1,358)**	(1,048)
Government rent and rates		**(207)**	(178)
Utilities		**(513)**	(464)
Other operating expenses		**(1,756)**	(1,224)
Operating expenses before depreciation and amortisation		**(10,895)**	(9,039)
Operating profit before depreciation and amortisation		**7,368**	7,365
Depreciation and amortisation		**(4,198)**	(4,020)
Operating profit before interest and finance costs	3	**3,170**	3,345
Interest and finance costs:			
Finance costs	5	**(1,126)**	(547)
Interest income		**775**	736
		(351)	189
Share of results of joint ventures	12	**(66)**	(191)
Profit before taxation		**2,753**	3,343
Income tax expense	6(a)	**(403)**	(590)
Profit for the year		**2,350**	2,753
Attributable to:			
Equity holders of the Authority			
– Holder of ordinary shares		**2,043**	2,457
– Holders of perpetual capital securities		**264**	263
		2,307	2,720
Non-controlling interests		**43**	33
Profit for the year		**2,350**	2,753

The notes on pages 109 to 170 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026 (Expressed in Hong Kong dollars)

$ million	**2026**	2025
Profit for the year	**2,350**	2,753
Other comprehensive income for the year		
Item that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit plan assets/obligations of:		
– the Authority	**45**	(19)
(Less)/add: deferred tax	**(7)**	3
	38	(16)
– subsidiaries	**(3)**	(2)
– a joint venture	**57**	(9)
	92	(27)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries and joint ventures	**434**	(47)
Cash flow hedge: net movement in the hedging reserve	**(98)**	(739)
Add: deferred tax	**16**	122
Cash flow hedge: net movement in the cost of hedging reserve	**(1,826)**	2,325
Add/(less): deferred tax	**302**	(384)
Net investment hedge	**(182)**	5
	(1,354)	1,282
Other comprehensive income for the year	**(1,262)**	1,255
Total comprehensive income for the year	**1,088**	4,008
Attributable to:		
Equity holders of the Authority		
– Holder of ordinary shares	**736**	3,719
– Holders of perpetual capital securities	**264**	263
	1,000	3,982
Non-controlling interests	**88**	26
Total comprehensive income for the year	**1,088**	4,008

The notes on pages 109 to 170 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026 (Expressed in Hong Kong dollars)

$ million	Note	2026	2025
Non-current assets			
Investment property	9	**34**	45
Interest in leasehold land	9	**21,671**	21,492
Other property, plant and equipment	9	**206,759**	194,132
		228,464	215,669
Intangible assets	10	**8**	22
Interests in joint ventures	12	**6,201**	3,091
Net defined benefit plan asset	19	**63**	25
Trade and other receivables	13	**189**	3,451
Derivative financial assets	22(e)	**12**	47
		234,937	222,305
Current assets			
Stores and spares		**169**	138
Trade and other receivables	13	**4,258**	3,773
Tax recoverable	6(c)	**2**	2
Derivative financial assets	22(e)	**28**	104
Cash and bank balances	14	**21,244**	54,517
		25,701	58,534
Current liabilities			
Trade and other payables	15	**(14,963)**	(16,237)
Interest-bearing borrowings	16	**(15,277)**	(27,065)
Current taxation	6(c)	**(21)**	(4)
Unused airport construction fee	17	**–**	(934)
Deferred income	18	**(58)**	(58)
Derivative financial liabilities	22(e)	**(23)**	(53)
		(30,342)	(44,351)
Net current (liabilities)/assets		**(4,641)**	14,183
Total assets less current liabilities		**230,296**	236,488
Non-current liabilities			
Trade and other payables	15	**(811)**	(1,291)
Interest-bearing borrowings	16	**(128,863)**	(135,098)
Deferred income	18	**(1,577)**	(1,635)
Derivative financial liabilities	22(e)	**(3,635)**	(2,648)
Net defined benefit plan obligations	19	**(107)**	(96)
Deferred tax liabilities	6(d)	**(3,689)**	(3,630)
		(138,682)	(144,398)
Net assets		**91,614**	92,090
Capital and reserves	20		
Share capital		**30,648**	30,648
Reserves		**48,396**	48,960
Perpetual capital securities	21	**11,585**	11,585
Total equity attributable to equity holders of the Authority		**90,629**	91,193
Non-controlling interests		**985**	897
Total equity		**91,614**	92,090

Approved and authorised for issue on behalf of the Members of the Board on 29 May 2026.

Mr Fred Lam Tin-fuk
Chairman

Mrs Vivian Cheung Kar-fay
Chief Executive Officer

Mr Julian Lee Pui-hang
Executive Director, Finance

The notes on pages 109 to 170 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026 (Expressed in Hong Kong dollars)

		Attributable to equity holders of the Authority										
$ million	Note	Share capital	Exchange reserve	Capital reserve	Contribution from the Government	Hedging reserve	Cost of hedging reserve	Retained profits	Perpetual capital securities	Total	Non-controlling interests	Total equity
At 1 April 2024		30,648	91	1,185	787	731	(3,647)	46,094	11,585	87,474	378	87,852
Changes in equity for the year:												
Profit for the year		–	–	–	–	–	–	2,457	263	2,720	33	2,753
Other comprehensive income		–	(36)	–	–	(617)	1,941	(26)	–	1,262	(7)	1,255
Total comprehensive income		–	(36)	–	–	(617)	1,941	2,431	263	3,982	26	4,008
Acquisition of a non-wholly owned subsidiary		–	–	–	–	–	–	–	–	–	493	493
Transfer from retained profits to capital reserve	20(d)(ii)	–	–	39	–	–	–	(39)	–	–	–	–
Distribution to perpetual capital securities holders	21	–	–	–	–	–	–	–	(263)	(263)	–	(263)
At 31 March 2025 and 1 April 2025		**30,648**	**55**	**1,224**	**787**	**114**	**(1,706)**	**48,486**	**11,585**	**91,193**	**897**	**92,090**
Changes in equity for the year:												
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**2,043**	**264**	**2,307**	**43**	**2,350**
Other comprehensive income		**–**	**206**	**–**	**–**	**(82)**	**(1,524)**	**93**	**–**	**(1,307)**	**45**	**(1,262)**
Total comprehensive income		**–**	**206**	**–**	**–**	**(82)**	**(1,524)**	**2,136**	**264**	**1,000**	**88**	**1,088**
Dividend approved in respect of the previous year	20(b)	**–**	**–**	**–**	**–**	**–**	**–**	**(1,300)**	**–**	**(1,300)**	**–**	**(1,300)**
Transfer from retained profits to capital reserve	20(d)(ii)	**–**	**–**	**52**	**–**	**–**	**–**	**(52)**	**–**	**–**	**–**	**–**
Distribution to perpetual capital securities holders	21	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(264)**	**(264)**	**–**	**(264)**
At 31 March 2026		**30,648**	**261**	**1,276**	**787**	**32**	**(3,230)**	**49,270**	**11,585**	**90,629**	**985**	**91,614**

The notes on pages 109 to 170 form part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2026 (Expressed in Hong Kong dollars)

$ million	Note	**2026**	2025
Operating activities			
Profit before taxation		**2,753**	3,343
Adjustments for:			
Depreciation		**3,697**	3,408
Amortisation of interest in leasehold land		**486**	597
Amortisation of intangible assets		**15**	15
Interest on notes, bonds and bank loans		**5,660**	4,603
Interest on lease liabilities		**1**	2
Other borrowing costs and interest expense		**159**	112
Borrowing costs capitalised into assets under construction		**(4,332)**	(3,481)
Interest income		**(775)**	(736)
Net gain on derivative financial instruments in cash flow hedges		**(369)**	(721)
Share of results of joint ventures		**66**	191
Reversal of loss allowance for expected credit loss ("ECL") of trade and other receivables		**(110)**	(333)
Net loss/(gain) on disposals of other property, plant and equipment		**11**	(19)
Net foreign exchange loss		**7**	32
Amortisation of deferred income		**(58)**	(59)
Expenses recognised in respect of defined benefit plans		**27**	42
Operating profit before changes in working capital		**7,238**	6,996
Increase in stores and spares		**(31)**	(11)
(Increase)/decrease in trade and other receivables		**(522)**	240
Increase/(decrease) in trade and other payables		**2,273**	(572)
Decrease in net defined benefit plan obligations		**(17)**	(20)
Cash generated from operations		**8,941**	6,633
Hong Kong Profits Tax (paid)/refunded		**(6)**	312
Chinese Mainland Enterprise Income Tax paid		**(10)**	(1)
Net cash generated from operating activities		**8,925**	6,944
Investing activities			
Net maturity of deposits with banks with over three months of maturity when placed		**21,037**	3,283
Interest received		**931**	1,080
Dividend received from a joint venture		**–**	1
Prepayment for acquisition of interest in Zhuhai Airport Group Limited		**–**	(2,319)
Payments for the purchase of interest in leasehold land, other property, plant and equipment		**(20,128)**	(31,353)
Receipts from disposals of other property, plant and equipment		**2**	110
Payment of annual franchise fee		**(36)**	(36)
Acquisition of a non-wholly owned subsidiary		**–**	2
Net cash generated from/(used in) investing activities		**1,806**	(29,232)

$ million	Note	**2026**	2025
Financing activities			
Interest paid on notes, bonds and bank loans	14(b)	**(5,677)**	(4,029)
Interest element of lease rentals paid	14(b)	**(1)**	(2)
Other borrowing costs and interest expense paid	14(b)	**(22)**	(235)
Capital element of lease rentals paid	14(b)	**(56)**	(46)
Airport construction fee ("ACF") received	14(b)	**3,145**	2,780
Receipts from issue of notes, bonds and drawdown of new bank loans	14(b)	**2,915**	61,610
Repayment of notes, bonds and bank loans	14(b)	**(22,148)**	(11,085)
Net interest income received on interest rate swaps and cross currency swaps	14(b)	**390**	733
Distribution paid on perpetual capital securities	21	**(264)**	(263)
Dividend paid	20(b)	**(1,300)**	–
Net cash (used in)/generated from financing activities		**(23,018)**	49,463
Net (decrease)/increase in cash and cash equivalents		**(12,287)**	27,175
Cash and cash equivalents at beginning of year		**31,613**	4,441
Effect of foreign exchange rate changes		**51**	(3)
Cash and cash equivalents at end of year	14(a)	**19,377**	31,613

The notes on pages 109 to 170 form part of these consolidated financial statements.

1. Principal Activities of the Authority

The Airport Authority ("the Authority") is a statutory corporation wholly owned by the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government"). It was formally established on 1 December 1995 when the Airport Authority Ordinance ("the Ordinance") was brought into effect as a continuation of the Provisional Airport Authority which had been set up in 1990.

The Authority's statutory purpose is to provide, operate, develop and maintain Hong Kong's airport at Chek Lap Kok, in order to maintain Hong Kong's status as a centre of international and regional aviation. Pursuant to these purposes, the Authority may also engage in airport-related activities in trade, commerce or industry at Chek Lap Kok and is permitted to engage in or carry out airport-related activities at any place in or outside Hong Kong. The Authority is required under the Ordinance to conduct its business according to prudent commercial principles.

The Authority's principal subsidiaries and their principal activities are set out in note 11.

The Authority and its subsidiaries are collectively referred to as the group.

2. Statement of Compliance and Basis of Preparation of the Consolidated Financial Statements

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") with the exception of disclosure of Earnings Per Share which is not relevant to the Authority as the Authority's shares are not publicly traded. Material accounting policies adopted by the group are set out in note 28.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the group and the Authority. Note 28(a) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these consolidated financial statements. The group has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 29).

2. Statement of Compliance and Basis of Preparation of the Consolidated Financial Statements (continued)

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements comprise the financial statements of the group as well as the group's interests in joint ventures.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain assets and liabilities acquired and financial instruments, which are adjusted for or stated at their fair values as explained in the accounting policies set out in notes 28(e) and (f), respectively.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 26.

The consolidated financial statements have been prepared on a going concern basis notwithstanding the net current liabilities of $4,641 million as at 31 March 2026. Management believes that the group has and will have adequate resources from the banking facilities, as disclosed in note 16, and the issuance of a total of $19 billion multi-tranche senior notes under the US$20 billion Medium Term Note programme subsequent to the balance sheet date, as disclosed in note 30(b), to enable the group to continue its operations and to meet its liabilities as and when they fall due for the foreseeable future.

3. Operating Profit Before Interest and Finance Costs

Operating profit before interest and finance costs of the group is arrived at after charging/(crediting):

$ million	**2026**	2025
Auditors' remuneration:		
– audit services	**7**	6
– tax services	**2**	1
– other services	**1**	2
Stores and spares expensed	**112**	67
Net loss/(gain) on disposals of other property, plant and equipment	**11**	(19)
Reversal of loss allowance for ECL of trade and other receivables (note 13(b))	**(110)**	(333)
Depreciation:		
– owned assets leased out under operating leases (note 9(d))	**242**	229
– right-of-use assets	**47**	47
– other assets	**3,408**	3,132
Amortisation:		
– interest in leasehold land		
– leased out under operating leases (note 9(d))	**10**	10
– others	**476**	587
– intangible assets (note 10)	**15**	15
Expense relating to short-term leases and low-value assets	**10**	6
Rentals from investment property less direct outgoings of $34 million (2025: $31 million)	**(1)**	(1)

4. Staff Costs and Related Expenses

$ million	**2026**	2025
Contributions to defined contribution retirement plans	**215**	194
Expenses recognised in respect of defined benefit plans (note 19)	**27**	42
Total retirement costs	**242**	236
Salaries, wages and other benefits	**4,542**	4,360
Total staff costs and related expenses	**4,784**	4,596
Less: staff costs and related expenses capitalised into assets under construction	**(1,103)**	(1,195)
	3,681	3,401

5. Finance Costs

$ million	**2026**	2025
Interest on bank loans	**102**	965
Interest on notes and bonds	**5,558**	3,638
Interest on lease liabilities	**1**	2
Other borrowing costs	**49**	82
Other interest expense	**110**	30
Total interest expense	**5,820**	4,717
Net foreign exchange loss	**7**	32
Net gain on derivative financial instruments in cash flow hedges	**(369)**	(721)
Less: borrowing costs capitalised into assets under construction	**(4,332)**	(3,481)
	1,126	547

The borrowing costs have been capitalised at the average cost of funds to the group calculated on a monthly basis. The average interest rate used for capitalisation for the year was 3.70% (2025: 3.18%) per annum.

6. Taxation

(a) Taxation in the consolidated statement of profit or loss represents:

$ million	**2026**	2025
Current tax – Hong Kong Profits Tax		
– provision for the year	**6**	9
Current tax – Chinese Mainland Enterprise Income Tax		
– provision for the year	**27**	6
Deferred tax (note 6(d))		
– origination and reversal of temporary differences	**370**	575
Income tax expense	**403**	590

The provisions for Hong Kong Profits Tax for both years are calculated at 8.25% of the estimated assessable profits for the year up to $2 million and 16.5% on any part of the estimated assessable profits for the year over $2 million.

The provision for Chinese Mainland Enterprise Income Tax is calculated at 25% of the estimated assessable profits for the year.

6. Taxation (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

$ million	**2026**	2025
Profit before taxation	**2,753**	3,343
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**459**	587
Tax effect of non-deductible expenses	**116**	105
Tax effect of non-taxable income	**(167)**	(150)
Tax effect of tax loss and other temporary differences not recognised	**12**	48
Tax effect of temporary differences previously not recognised	**–**	1
Tax effect of unused tax losses not recognised in prior years now recognised	**(16)**	–
Utilisation of tax losses previously not recognised	**(1)**	(1)
Actual tax expense	**403**	590

(c) Taxation in the consolidated statement of financial position represents:

$ million	**2026**	2025
Provision for the year (note 6(a))		
– Hong Kong Profits Tax	**6**	9
– Chinese Mainland Enterprise Income Tax	**27**	6
Provisional Hong Kong Profits Tax paid	**(5)**	(1)
Chinese Mainland Enterprise Income Tax paid	**(8)**	(1)
Balance of tax recoverable relating to prior years	**(1)**	(11)
	19	2
Classified in the consolidated statement of financial position as:		
Tax recoverable	**(2)**	(2)
Current taxation	**21**	4
	19	2

6. Taxation (continued)

(d) Deferred tax assets and liabilities recognised in the consolidated statement of financial position represents:

The components of deferred tax (assets)/liabilities of the group recognised in the consolidated statement of financial position and the movements during the year are as follows:

$ million **Deferred tax arising from:**	**Depreciation allowances in excess of the related depreciation and other expenses**	**Tax loss**	**Deferred income, defined benefit plan liability and others**	**Total**
At 1 April 2024	9,707	(6,143)	(768)	2,796
Charged/(credited) to profit or loss	2,560	(2,042)	57	575
Charged to other comprehensive income	–	–	259	259
At 31 March 2025	12,267	(8,185)	(452)	3,630
At 1 April 2025	**12,267**	**(8,185)**	**(452)**	**3,630**
Charged/(credited) to profit or loss	**1,210**	**(852)**	**12**	**370**
Credited to other comprehensive income	**–**	**–**	**(311)**	**(311)**
At 31 March 2026	**13,477**	**(9,037)**	**(751)**	**3,689**

(e) Deferred tax assets not recognised in the consolidated statement of financial position:

The group has not recognised deferred tax assets in respect of subsidiaries' cumulative tax losses and other temporary differences of $382 million (2025: $374 million) and $3 million (2025: $3 million) respectively as it is not probable that sufficient future taxable profits against which the cumulative tax losses and other temporary differences can be utilised. Tax losses relating to subsidiaries in Hong Kong do not expire under the current tax legislation.

(f) Pillar Two income taxes:

The group has substantial operations in Hong Kong, where this jurisdiction has enacted new tax law to implement the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development and such new tax law became effective from 1 January 2025.

The group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and has accounted for the tax as current tax when incurred, if any. During the year ended 31 March 2026, the group has recognised $nil (2025: $nil) for the current tax related to the Pillar Two model rules.

7. Emoluments of the Members of the Board and Executive Directors

Members of the Board, the Chief Executive Officer and Executive Directors are considered to be key management personnel of the Authority. There are three components of emoluments paid to the Chief Executive Officer and Executive Directors.

Basic compensation

Basic compensation consists of base salary, housing and other allowances and benefits in kind.

Performance-related compensation

This represents discretionary payments depending on individual performance and the performance of the group.

Retirement benefits

Retirement benefits relate to the group's contribution to retirement funds or gratuities in lieu of retirement plan contributions accrued.

(a) Emoluments of the Members of the Board

The emoluments of the Members of the Board of the Authority are as follows:

2026 *$'000*	Board Member's fee	Basic compensation	Performance-related compensation	Retirement benefits	Total
Members of the Board					
Non-executive Members					
Fred Lam Tin-fuk	1,000	–	–	–	1,000
Dorothy Chan Yuen Tak-fai	200	–	–	–	200
Sabrina Chao Sih-ming	200	–	–	–	200
Philip Chen Nan-lok	200	–	–	–	200
Rock Chen Chung-nin	200	–	–	–	200
Irene Chow Man-ling	200	–	–	–	200
Ann Kung Yeung Yun-chi	200	–	–	–	200
Laurence Li Lu-jen	200	–	–	–	200
Lo Wai-kwok	200	–	–	–	200
Edwin Tong Ka-hung	200	–	–	–	200
William Wong Ming-fung	200	–	–	–	200
Perry Yiu Pak-leung	200	–	–	–	200
Stephen Yiu Kin-wah	200	–	–	–	200
Secretary for Financial Services and the Treasury [1]	200	–	–	–	200
Secretary for Transport and Logistics [1]	200	–	–	–	200
Director-General of Civil Aviation [1]	200	–	–	–	200
Executive Member					
Vivian Cheung Kar-fay (Chief Executive Officer)	–	5,814	2,863	778	9,455
	4,000	5,814	2,863	778	13,455

[1] Members who are public officers. Fees payable to the Members who are public officers are received by the Government rather than by the individuals concerned.

7. Emoluments of the Members of the Board and Executive Directors (continued)

(a) Emoluments of the Members of the Board (continued)

2025 *$'000*	Board Member's fee	Basic compensation	Performance-related compensation	Retirement benefits	Total
Members of the Board					
Non-executive Members					
Fred Lam Tin-fuk [1]	834	–	–	–	834
Dorothy Chan Yuen Tak-fai (appointed in June 2024)	167	–	–	–	167
Sabrina Chao Sih-ming	185	–	–	–	185
Philip Chen Nan-lok	185	–	–	–	185
Rock Chen Chung-nin	185	–	–	–	185
Irene Chow Man-ling	185	–	–	–	185
Ann Kung Yeung Yun-chi (appointed in June 2024)	167	–	–	–	167
Laurence Li Lu-jen	185	–	–	–	185
Lo Wai-kwok	185	–	–	–	185
Edwin Tong Ka-hung	185	–	–	–	185
William Wong Ming-fung	185	–	–	–	185
Perry Yiu Pak-leung (appointed in June 2024)	167	–	–	–	167
Stephen Yiu Kin-wah	185	–	–	–	185
Secretary for Financial Services and the Treasury [2]	185	–	–	–	185
Secretary for Transport and Logistics [2]	185	–	–	–	185
Director-General of Civil Aviation [2]	185	–	–	–	185
Jack So Chak-kwong [3] (retired in May 2024)	–	–	–	–	–
Adrian Wong Koon-man (retired in May 2024)	18	–	–	–	18
Executive Member					
Vivian Cheung Kar-fay (Acting Chief Executive Officer)	–	5,234	2,590	552	8,376
Fred Lam Tin-fuk (Chief Executive Officer)	–	1,615	583	153	2,351
	3,573	6,849	3,173	705	14,300

[1] Fred Lam Tin-fuk was appointed as Chairman of the Authority with effect from 1 June 2024.

[2] Members who are public officers. Fees payable to the Members who are public officers are received by the Government rather than by the individuals concerned.

[3] Jack So Chak-kwong has donated his Chairman's Fee of $37,000 as "Jack So Scholarship" to children of Airport Authority employees and therefore no payment has been made to him.

7. Emoluments of the Members of the Board and Executive Directors (continued)

(b) Emoluments of Executive Directors

The aggregate of the emoluments of the Executive Directors of the Authority is as follows:

$'000	**2026**	2025
Basic compensation	**21,687**	20,468
Performance-related compensation	**9,825**	9,062
Retirement benefits	**2,821**	2,519
	34,333	32,049

The emoluments of the Executive Directors of the Authority are within the following bands:

	Number of individuals	
$	**2026**	2025
2,500,001 – 3,000,000	**–**	1
3,000,001 – 3,500,000	**1**	–
3,500,001 – 4,000,000	**1**	–
4,500,001 – 5,000,000	**–**	1
5,000,001 – 5,500,000	**–**	1
5,500,001 – 6,000,000	**–**	2
6,500,001 – 7,000,000	**3**	–
7,500,001 – 8,000,000	**1**	1
	6	6

During the year, the five individuals with the highest emoluments comprise the Chief Executive Officer and four Executive Directors (2025: five individuals comprise the Acting Chief Executive Officer and four Executive Directors), whose emoluments are disclosed under note 7(a) and above, respectively.

8. Segmental Information

Services from which reportable segments derive their revenue

Information reported to the group's chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on the group as a whole, as all of the group's activities are considered to be primarily dependent on the airport traffic and are highly integrated and interdependent on each other. Resources are allocated based on what is beneficial for the group in enhancing the airport experience as a whole rather than any specific department. Performance assessment is based on the results of the group as a whole with operating parameters set out for each department. Consequently, management considers there to be only one operating segment under the requirements of HKFRS 8, "*Operating segments*", and believes that this presentation provides more relevant information.

Information provided to management in respect of the group's revenues, expenses, assets and liabilities is materially similar to that reported in these consolidated financial statements.

8. Segmental Information (continued)

Revenue from major services

The group's revenue from its major services is set out in the consolidated statement of profit or loss.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major services is as follows:

$ million	**2026**	2025
Revenue from contracts with customers within the scope of HKFRS 15		
Airport charges	**5,001**	4,725
Security charges	**2,027**	1,532
Aviation security services	**469**	457
Convention and exhibition revenue	**390**	329
Others	**476**	348
	8,363	7,391
Revenue from other sources		
Airside support services franchises	**2,858**	2,644
Retail licences and advertising revenue	**5,186**	4,674
Other terminal commercial revenue	**1,082**	948
Convention and exhibition revenue	**418**	419
Others	**356**	328
	9,900	9,013
	18,263	16,404

The group’s revenue from contracts with customers within the scope of HKFRS 15 is mainly recognised at a point in time.

Geographical information

No geographical information is shown as the revenue and operating profit of the group is substantially derived from activities in Hong Kong, other than its investments in certain subsidiaries and interests in joint ventures in the Chinese Mainland, details of which are disclosed under notes 11 and 12 to the consolidated financial statements respectively.

Information about major customers

The group’s customer base is diversified and includes one customer (2025: one customer) with whom transactions have exceeded 10% of the group’s revenue.

Included in the revenue for the year are aggregate revenues of approximately $4,615 million which arose from this customer (2025: $3,861 million from one customer). This includes only revenue arising from those entities which are known to the group to be under common control of this customer.

9. Investment Property, Interest in Leasehold Land, Other Property, Plant and Equipment

	Other property, plant and equipment										
$ million	Airfields	Terminal complexes & ground transportation centre	Access, utilities, other buildings & support facilities	Systems, installations, plant & equipment	Furniture, fixtures & equipment	Right-of-use assets	Construction in progress	Sub-total	Investment property	Interest in leasehold land	Total
Cost											
At 1 April 2024	22,820	42,114	20,527	20,090	4,312	152	124,463	234,478	138	11,436	246,052
Exchange adjustments	–	(2)	(3)	(3)	(4)	(1)	–	(13)	–	(5)	(18)
Additions	23	186	300	804	318	42	24,637	26,310	4	231	26,545
Acquired through acquisition (note 9(f))	–	–	587	–	–	–	–	587	–	306	893
Reclassifications	(4,517)	4,504	2,321	(1,573)	214	–	(16,737)	(15,788)	–	15,788	–
Disposals	(221)	(20)	(116)	(170)	(50)	(12)	–	(589)	(4)	–	(593)
At 31 March 2025	18,105	46,782	23,616	19,148	4,790	181	132,363	244,985	138	27,756	272,879
At 1 April 2025	18,105	46,782	23,616	19,148	4,790	181	132,363	244,985	138	27,756	272,879
Exchange adjustments	1	9	31	15	21	6	27	110	–	35	145
Additions (note 9(a))	108	127	623	523	594	29	14,886	16,890	–	1	16,891
Reclassifications	768	2,780	2,806	1,133	170	–	(8,266)	(609)	(23)	632	–
Disposals	(106)	(39)	(7)	(47)	(70)	(13)	–	(282)	–	–	(282)
At 31 March 2026	18,876	49,659	27,069	20,772	5,505	203	139,010	261,094	115	28,424	289,633
Accumulated depreciation, amortisation and impairment											
At 1 April 2024	6,749	17,659	10,360	10,027	3,070	88	–	47,953	91	5,667	53,711
Exchange adjustments	–	(1)	–	(1)	(1)	(1)	–	(4)	–	–	(4)
Charge for the year	388	1,325	742	515	385	47	–	3,402	6	597	4,005
Written back on disposals	(221)	(19)	(31)	(169)	(47)	(11)	–	(498)	(4)	–	(502)
At 31 March 2025	6,916	18,964	11,071	10,372	3,407	123	–	50,853	93	6,264	57,210
At 1 April 2025	6,916	18,964	11,071	10,372	3,407	123	–	50,853	93	6,264	57,210
Exchange adjustments	–	7	5	10	16	4	–	42	–	3	45
Charge for the year	500	1,161	707	925	354	47	–	3,694	3	486	4,183
Reclassifications	–	–	13	1	1	–	–	15	(15)	–	–
Written back on disposals	(105)	(34)	(4)	(44)	(70)	(12)	–	(269)	–	–	(269)
At 31 March 2026	7,311	20,098	11,792	11,264	3,708	162	–	54,335	81	6,753	61,169
Net book value											
At 31 March 2026	11,565	29,561	15,277	9,508	1,797	41	139,010	206,759	34	21,671	228,464
At 31 March 2025	11,189	27,818	12,545	8,776	1,383	58	132,363	194,132	45	21,492	215,669

9. Investment Property, Interest in Leasehold Land, Other Property, Plant and Equipment (continued)

(a) Additions to property, plant and equipment during the year ended 31 March 2026 are netted off ACF received or receivable of $4,211 million (2025: $2,762 million) (note 17) in respect of financing capital expenditure for the 3RS-related project.

(b) Under the Private Treaty Land Grant issued by the Government for the period from 1 December 1995 to 30 June 2047 ("the Land Grant"), the Government has granted to the Authority up to the year 2047 the legal rights to the entire airport site at Chek Lap Kok together with the rights necessary to develop such site for the purposes of its business. In September 2016, the Government approved that the North Commercial District ("NCD") area be carved out from the original land lease and put under a new lease with a 50-year term granted to the Authority up to the year 2066 to support NCD development. In August 2021, the lease term of the remaining portions in the original land lease shall be extended to the year 2071 by way of a reversionary lease granted by the Government ("the extended Land Grant"). On the same date, a Private Treaty Land Grant for the Three-runway System ("3RS") at new reclamation land at Chek Lap Kok has been granted by the Government to the Authority up to the year 2071.

The total net land premium and land formation cost of $27,856 million (2025: $27,224 million) have been classified as interest in leasehold land.

(c) Fair value measurement of investment property

The investment property is stated at cost net of accumulated depreciation and impairment losses with fair value disclosed for reference purpose.

The group engaged an independent firm of surveyors, Colliers International (Hong Kong) Limited ("the valuer"), who have Fellow members of the Hong Kong Institute of Surveyors among their staff with recent experience in the location and category of properties being valued, to value its investment property for disclosure purposes. The fair value of the group's investment property as at 31 March 2026 calculated by reference to net rental income allowing for reversionary income potential amounted to $488 million (2025: $596 million), which falls under Level 3 of the fair value hierarchy (note 22(e)).

The fair value of the group's investment property is determined by the Income Approach – Discounted Cash Flow Analysis. This analysis is based on prospective periodic net cash flow to income-generating properties, which is typically estimated as gross income less vacancy allowance and operating expenses and other outgoings. The valuer has considered the assignment restrictions on the investment property in the valuation. The series of periodic net cash flow, along with an estimate of the reversionary or terminal value anticipated at the end of the projection period, is then discounted by a discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

9. Investment Property, Interest in Leasehold Land, Other Property, Plant and Equipment (continued)

(d) The group has granted sub-leases of its interest in leasehold land for airport related development and the provision of airside support services under franchise/sub-lease agreements for periods ranging from 5 to 49 years. Under the franchise/sub-lease agreements, the franchisees/lessees are granted sub-leases of interest in leasehold land for the periods of the respective franchises/sub-leases. The group also leases out part of the terminal complexes, other building and related assets under operating leases for periods generally ranging from one year to five years. All terms are renegotiated on renewal.

Payments receivable under the above mentioned operating leases and franchise/sub-lease arrangements either are adjusted periodically to reflect prevailing market indices or contain contingent rentals based on passenger flow and revenue of tenants and franchisees.

The total future minimum payments (excluding contingent rentals) under non-cancellable operating leases and franchise/sub-lease agreements receivable by the group are as follows:

$ million	**2026**	2025
Within one year	**3,171**	3,143
After one but within five years	**6,739**	7,960
After five years	**7,722**	8,689
	17,632	19,792

During the year, $9,823 million (2025: $8,849 million) was recognised as income in profit or loss in respect of the operating leases and franchise/sub-lease agreements, which included contingent rentals of $6,328 million (2025: $5,705 million).

The cost less accumulated amortisation of the interest in leasehold land for airport related development and the provision of airside support services sub-leased to third parties under non-cancellable franchise/sub-lease agreements for the group as at 31 March 2026 was $418 million (2025: $459 million) with annual amortisation amounting to $10 million (2025: $10 million).

The cost less accumulated depreciation of other property, plant and equipment leased to third parties under non-cancellable operating leases for the group as at 31 March 2026 was $5,527 million (2025: $4,671 million) with annual depreciation amounting to $242 million (2025: $229 million).

(e) A review of the useful life of investment property and other property, plant and equipment is undertaken by the Authority periodically. During the year, the estimated useful lives of certain other property, plant and equipment were revised, resulting in a net increase in the group's annual depreciation charge of $29 million. A similar review undertaken during the previous year resulted in a net increase in the group's annual depreciation charge of $5 million. There were no changes in the relevant accounting policies.

(f) In June 2024, the group acquired a subsidiary with interest in leasehold land and other property, plant and equipment of $306 million and $575 million respectively. Fair value adjustment of $12 million arising from the acquisition has been recognised in other property, plant and equipment.

10. Intangible Assets

$ million	**2026**	2025
Cost		
At 1 April	**296**	299
Exchange adjustments	**18**	(3)
At 31 March	**314**	296
Accumulated amortisation		
At 1 April	**274**	262
Exchange adjustments	**17**	(3)
Charge for the year	**15**	15
At 31 March	**306**	274
Net book value		
At 31 March	**8**	22

As at 31 March 2026 and 2025, intangible asset represents the right to operate and manage Zhuhai Airport which is being amortised over 20 years on a straight line basis.

11. Investments in Subsidiaries

The following list contains only the particulars of principal subsidiaries. The class of shares held is ordinary unless otherwise stated.

			Proportion of ownership interest			
Name of company	**Place of incorporation and operation/ establishment**	**Particulars of issued and paid up ordinary share capital/ registered capital**	**Group's effective interest**	**Held by the Authority**	**Held by subsidiaries**	**Principal activity**
Aviation Security Company Limited ("AVSECO")	Hong Kong	$10,000,000	51%	51%	–	Provision of aviation security services
HKIA Precious Metals Depository Limited	Hong Kong	$2	100%	100%	–	Provision of storage space and related services
Hong Kong – Zhuhai Airport Management Co., Ltd. ("HKZAM")* (note 11(a))	Chinese Mainland	RMB360 million	55%	–	55%	Airport management and provision of transportation and ground services relating to aviation
AsiaWorld-Expo Management Limited ("AWEM")	Hong Kong	$100,000	100%	–	100%	AsiaWorld-Expo exhibition centre operation and management
IEC Holdings Limited ("IECH")	Hong Kong	Ordinary shares: $2,267,084,251 Preference shares: $403,758,261	100%	84.9%	15.1%	Development and holding of AsiaWorld-Expo exhibition centre
Dongguan HKIA Logistics Park Investment (Dongguan) Co., Ltd ("DGLPI") (note 11(b))	Chinese Mainland	RMB1.15 billion	60%	–	60%	Development and holding of HKIA Dongguan Logistics Park

* A sino-foreign equity joint venture

11. Investments in Subsidiaries (continued)

(a) HKZAM

The following table lists out the information relating to HKZAM, which has material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

$ million	**2026**	2025
NCI percentage	**45%**	45%
Non-current assets	**352**	380
Current assets	**746**	598
Non-current liabilities	**(103)**	(102)
Current liabilities	**(253)**	(234)
Net assets	**742**	642
Carrying amount of NCI	**334**	289
Revenue	**738**	722
Profit for the year	**60**	73
Total comprehensive income for the year	**59**	70
Profit for the year allocated to NCI	**27**	33
Total comprehensive income for the year allocated to NCI	**27**	31

(b) DGLPI

The following table lists out the information relating to DGLPI, which has material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

$ million	**2026**	2025
NCI percentage	**40%**	40%
Non-current assets	**1,689**	1,051
Current assets	**367**	475
Non-current liabilities	**(716)**	(292)
Current liabilities	**(84)**	(27)
Net assets	**1,256**	1,207
Carrying amount of NCI	**502**	483
Revenue	**9**	5
Loss for the year	**(22)**	(27)
Total comprehensive income for the year	**(22)**	(27)
Loss for the year allocated to NCI	**(9)**	(11)
Total comprehensive income for the year allocated to NCI	**(9)**	(11)

12. Interests in Joint Ventures

$ million	**2026**	2025
Share of net assets	**5,651**	2,885
Goodwill	**550**	206
	6,201	3,091

Details of the group's interests in the joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

				Proportion of ownership interest		
Name of joint venture	**Form of business structure**	**Place of incorporation and operation**	**Particulars of issued and paid up registered capital**	**Group's effective interest**	**Held by the Authority**	**Principal activity**
Hangzhou Xiaoshan International Airport Co., Ltd. ("HXIA")	Incorporated	Chinese Mainland	RMB5,686 million	35%	35%	Management, operation and development of Hangzhou Xiaoshan International Airport and provision of related services
Shanghai Hong Kong Airport Management Co., Ltd. ("SHKAM")	Incorporated	Chinese Mainland	RMB100 million	49%	49%	Management and operation of the terminals at Hongqiao International Airport, Shanghai ("HIA")
Zhuhai Airport Group Limited ("ZAG")	Incorporated	Chinese Mainland	RMB3,000 million	35%	35%	Management, operation and development of Zhuhai Jinwan Airport

The above entities have 31 December as their statutory financial year end date, which is not coterminous with that of the group. The Authority has determined that it is more practicable to incorporate its share of the results and net assets based on the joint ventures' statutory financial year adjusted for the Authority's accounting policies.

12. Interests in Joint Ventures (continued)

(a) HXIA

HXIA is an unlisted sino-foreign equity joint venture with a period of operation of 30 years.

Summary of financial information of HXIA, based on its statutory financial statements for the year ended 31 December and adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

$ million	**2026**	2025
Gross amounts of HXIA		
Non-current assets	**29,814**	28,176
Current assets	**1,873**	2,461
Non-current liabilities	**(18,053)**	(15,215)
Current liabilities	**(5,292)**	(7,338)
Net assets/equity	**8,342**	8,084

$ million	**2026**	2025
Income	**3,379**	3,144
Expenses	**(3,732)**	(3,687)
Loss before taxation	**(353)**	(543)
Income tax	**(27)**	(5)
Loss after taxation	**(380)**	(548)
Other comprehensive income	**163**	(26)
Total comprehensive income	**(217)**	(574)

$ million	**2026**	2025
Reconciled to the group's interest in HXIA		
Gross amounts of HXIA's net assets	**8,342**	8,084
Group's effective interest	**35%**	35%
Group's share of HXIA's net assets	**2,920**	2,829
Goodwill	**218**	206
Carrying amount in the consolidated financial statements	**3,138**	3,035

The outstanding commitments of HXIA in respect of capital expenditure not provided for, of which the group shares 35% effective interest, in the consolidated financial statements are as follows:

$ million	**2026**	2025
Contracted for	**2,125**	2,824
Authorised but not contracted for	**9,480**	9,352
	11,605	12,176

12. Interests in Joint Ventures (continued)

(b) SHKAM

SHKAM, an unlisted sino-foreign equity joint venture, manages and operates the terminals at HIA, under a management contract signed for 20 years commencing from December 2009 in return for a management fee to be paid by Shanghai Airport (Group) Co. Ltd. Hongqiao International Airport Company.

Summary of financial information of SHKAM, based on its statutory financial statements for the year ended 31 December and adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

$ million	**2026**	2025
Gross amounts of SHKAM		
Current assets	**130**	123
Current liabilities	**(8)**	(9)
Net assets/equity	**122**	114

$ million	**2026**	2025
Income	**11**	11
Expenses	**(8)**	(8)
Profit before taxation	**3**	3
Income tax	**(1)**	(1)
Net profit and other comprehensive income	**2**	2

$ million	**2026**	2025
Reconciled to the group's interest in SHKAM		
Gross amounts of SHKAM's net assets	**122**	114
Group's effective interest	**49%**	49%
Group's share of SHKAM's net assets and carrying amount in the consolidated financial statements	**60**	56

12. Interests in Joint Ventures (continued)

(c) ZAG

On 1 April 2025, the group acquired 35% interest in 珠海機場集團有限公司 (Zhuhai Airport Group Limited ("ZAG")) for a total consideration of RMB4.3 billion (approximately $4.6 billion). As at 31 March 2026, $2.3 billion has been settled. The remaining consideration is subject to the fulfilment of conditions by the major shareholder of ZAG.

(i) Details of net assets acquired in respect of the acquisition of ZAG at the acquisition date were as follows:

$ million	**2026**
Interest in leasehold land	**5**
Other property, plant and equipment	**2,100**
Investment property	**349**
Fair value of net assets acquired	**2,454**
Goodwill on acquisition	**313**
Total consideration	**2,767**
Less: consideration settled in cash	**(2,319)**
Remaining consideration included in trade and other payables	**448**

(ii) Summary of financial information of ZAG, based on its statutory financial statements for the year ended 31 December and adjusted for any differences in accounting policies, is as follows:

$ million	**2026**
Gross amounts of ZAG	
Non-current assets	**7,309**
Current assets	**360**
Non-current liabilities	**(5)**
Current liabilities	**(32)**
Net assets/equity	**7,632**

$ million	**2026**
Income	**27**
Expenses	**(186)**
Loss before taxation	**(159)**
Income tax	**–**
Loss after taxation	**(159)**

$ million	**2026**
Reconciled to the group's interest in ZAG	
Gross amounts of ZAG's net assets	**7,632**
Group's effective interest	**35%**
Group's share of ZAG's net assets	**2,671**
Goodwill	**332**
Carrying amount in the consolidated financial statements	**3,003**

13. Trade and Other Receivables

$ million	**2026**	2025
Trade debtors	**3,796**	3,417
Less: loss allowance (note 13(b))	**(516)**	(654)
	3,280	2,763
Other debtors	**177**	359
	3,457	3,122
Advance payments to contractors	**159**	330
Prepayments	**792**	3,727
Deposits and debentures	**39**	45
	4,447	7,224
Classified in the consolidated statement of financial position as:		
Current assets	**4,258**	3,773
Non-current assets	**189**	3,451
	4,447	7,224

As at 31 March 2026, all of the trade and other receivables under current assets are expected to be recovered or recognised as an expense within one year except for $18 million (2025: $17 million), which is expected to be recovered after more than one year.

(a) The ageing analysis of trade debtors, based on overdue days and net of loss allowance, included above is as follows:

$ million	**2026**	2025
Amounts not yet due	**2,540**	2,443
Less than one month past due	**396**	175
One to three months past due	**311**	93
More than three months past due	**33**	52
	3,280	2,763

Trade debtors are generally due within 14 to 30 days from the date of billing. The group's credit policy is set out in note 22(a). The group holds cash deposits and bank guarantees of $4,743 million (2025: $4,399 million) as collateral over the trade debtors.

13. Trade and Other Receivables (continued)

(b) ECLs of trade debtors

ECLs in respect of trade debtors are recorded using an allowance account unless the group considers that recovery of the amount is remote, in which case the ECL is written off against trade debtors directly (note 28(l)).

The movements in the loss allowance during the year are as follows:

$ million	**2026**	2025
At 1 April	**654**	987
Losses reversed and credited to other operating expenses	**(110)**	(333)
Uncollectible amounts written off	**(28)**	–
At 31 March	**516**	654

(c) Credit risk arising from trade debtors

The group measures loss allowance for trade debtors at an amount equal to lifetime ECLs, which is calculated using a provision matrix. Expected loss rates are based on actual loss experience in the past for the respective customer bases. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the group's view of economic conditions over the expected lives of the trade debtors.

Expected loss rates ranged from 3% to 96% for debtors 1-30 days past due to 211-240 days past due (2025: 4% to 92%). The Authority usually fully provides for trade receivables aged over 240 days (2025: 240 days) based on historical experience save for any exceptional exposures.

14. Cash and Bank Balances and Other Cash Flow Information

(a) Cash and bank balances comprise:

$ million	**2026**	2025
Deposits with banks within three months of maturity when placed	**15,235**	28,020
Cash at bank and in hand	**4,142**	3,593
Cash and cash equivalents in the consolidated cash flow statement	**19,377**	31,613
Deposits with banks with over three months of maturity when placed	**1,867**	22,904
Cash and bank balances in the consolidated statement of financial position	**21,244**	54,517

As at 31 March 2026, cash and bank balances of $975 million (2025: $994 million) held by subsidiaries are subject to currency exchange restrictions in the Chinese Mainland.

14. Cash and Bank Balances and Other Cash Flow Information (continued)

(b) Reconciliation of (assets)/liabilities arising from financing activities:

The table below details changes in the group's (assets)/liabilities from financing activities, including both cash and non-cash changes. (Assets)/liabilities arising from financing activities are (assets)/liabilities for which cash flows were, or future cash flows will be, classified in the group's consolidated cash flow statement as cash flows from financing activities.

$ million	Interest-bearing borrowings	Interest and other borrowing costs payables and deferred finance charges	Lease liabilities	ACF receivable	Total
	(Note 16)		(Note 15)		
At 1 April 2025	162,163	1,033	72	(722)	162,546
Changes from financing cash flows:					
Interest paid on notes, bonds and bank loans	–	(5,677)	–	–	(5,677)
Interest element of lease rentals paid	–	–	(1)	–	(1)
Other borrowing costs and interest expense paid	(1)	(21)	–	–	(22)
Capital element of lease rentals paid	–	–	(56)	–	(56)
ACF received	–	–	–	3,145	3,145
Receipts from issue of notes, bonds and drawdown of new bank loans	2,915	–	–	–	2,915
Repayment of notes, bonds and bank loans	(22,148)	–	–	–	(22,148)
Net interest income received on interest rate swaps and cross currency swaps	–	390	–	–	390
Total changes from financing cash flows	(19,234)	(5,308)	(57)	3,145	(21,454)
Non-cash changes:					
Interest on notes, bonds and bank loans (note 5)	–	5,660	–	–	5,660
Interest on lease liabilities (note 5)	–	–	1	–	1
Other borrowing costs (note 5)	–	49	–	–	49
ACF receivable	–	–	–	(3,277)	(3,277)
Other non-cash movements	1,211	(465)	33	–	779
Total other changes	1,211	5,244	34	(3,277)	3,212
At 31 March 2026	144,140	969	49	(854)	144,304

14. Cash and Bank Balances and Other Cash Flow Information (continued)

(b) Reconciliation of (assets)/liabilities arising from financing activities: (continued)

$ million	Interest-bearing borrowings	Interest and other borrowing costs payables and deferred finance charges	Lease liabilities	ACF receivable	Total
	(Note 16)		(Note 15)		
At 1 April 2024	111,669	585	79	(610)	111,723
Changes from financing cash flows:					
Interest paid on notes, bonds and bank loans	–	(4,029)	–	–	(4,029)
Interest element of lease rentals paid	–	–	(2)	–	(2)
Other borrowing costs and interest expense paid	(175)	(60)	–	–	(235)
Capital element of lease rentals paid	–	–	(46)	–	(46)
ACF received	–	–	–	2,780	2,780
Receipts from issue of notes, bonds and drawdown of new bank loans	61,610	–	–	–	61,610
Repayment of notes, bonds and bank loans	(11,085)	–	–	–	(11,085)
Net interest income received on interest rate swaps and cross currency swaps	–	733	–	–	733
Total changes from financing cash flows	50,350	(3,356)	(48)	2,780	49,726
Non-cash changes:					
Interest on notes, bonds and bank loans (note 5)	–	4,603	–	–	4,603
Interest on lease liabilities (note 5)	–	–	2	–	2
Other borrowing costs (note 5)	–	82	–	–	82
ACF receivable	–	–	–	(2,892)	(2,892)
Other non-cash movements	144	(881)	39	–	(698)
Total other changes	144	3,804	41	(2,892)	1,097
At 31 March 2025	162,163	1,033	72	(722)	162,546

15. Trade and Other Payables

$ million	**2026**	2025
Creditors and accrued charges	**12,570**	13,930
Deposits received	**1,496**	1,158
Contract retentions	**1,659**	2,368
Lease liabilities	**49**	72
	15,774	17,528
Classified in the consolidated statement of financial position as:		
Current liabilities	**14,963**	16,237
Non-current liabilities	**811**	1,291
	15,774	17,528

As at 31 March 2026, all of the trade and other payables are expected to be settled or recognised as income within one year except for $811 million (2025: $1,291 million), which are expected to be settled after more than one year and mainly relate to licence deposits received from retail licensees and contract retentions.

The ageing analysis of creditors and accrued charges included above by due dates is as follows:

$ million	**2026**	2025
Due within 30 days or on demand	**2,483**	1,948
Due after 30 days but within 60 days	**1,409**	1,852
Due after 60 days but within 90 days	**1,161**	1,466
Due after 90 days	**7,517**	8,664
	12,570	13,930

16. Interest-Bearing Borrowings

$ million	**2026**	2025
Notes and bonds payable (a)		
– unsecured		
HK dollar fixed rate retail bonds due 2026	**4,941**	4,988
HK dollar fixed rate notes due 2025 to 2055	**30,528**	31,228
HK dollar floating rate notes due 2027	**1,500**	1,500
US dollar notes due 2026 to 2062	**99,172**	102,312
RMB fixed rate notes due 2034 to 2055	**5,341**	5,039
Bank loans		
– secured (d)	**310**	300
– unsecured (b), (c) and (d)	**2,915**	17,500
Less: unamortised finance costs	**(567)**	(704)
	144,140	162,163

(a) The Authority's Medium Term Note programme was upsized to United States ("US") $20 billion in September 2025 from US$8 billion.

In June 2024, the Authority issued Renminbi ("RMB") 1.5 billion senior notes under the US$8 billion Medium Term Note Programme. The notes are listed on the Hong Kong Stock Exchange with maturity of 10 years at annual coupon rate of 2.93%.

In January 2025, the Authority issued totally around US$7 billion equivalent multi-currency senior notes in HKD, RMB under the US$8 billion Medium Term Note programme and in USD in Regulation S/Rule 144A format. These notes are listed on the Hong Kong Stock Exchange and comprises of:

- HKD multi-tranche notes totally $18.5 billion with maturities of 3 to 30 years at annual coupon rate ranging from 4.05% to 4.50%;
- RMB dual-tranche notes totally RMB3.2 billion with maturities of 10 and 30 years at annual coupon rate of 2.85% and 3.4% respectively; and
- USD multi-tranche notes totally US$4.15 billion with maturities of 3.5 to 10 years at annual coupon rate ranging from 4.75% to 5.125%.

During the year, the Authority repaid $700 million and US$500 million fixed rate notes in full with annual coupon rates ranging from 1.62% to 4.875% and redeemed $47 million of its listed retail bonds as some retail bonds holders exercised their early redemption rights.

As at 31 March 2026, the Authority's outstanding fixed rate notes have annual coupon rates ranging from 1.55% to 5.125% (2025: 1.55% to 5.125%). The fixed rate notes are unsecured and repayable in full upon maturity.

16. Interest-Bearing Borrowings (continued)

(b) In June 2020, the Authority signed a five-year unsecured Hong Kong dollar term and revolving credit facility of $35 billion. The facility consists of a term loan tranche and a revolving loan tranche of $17.5 billion each. Interest is payable on amounts drawn down at a rate related to Hong Kong Interbank Offered Rate ("HIBOR"). In the same year, $17.5 billion was drawn down from the term loan tranche and the amount was swapped from floating rate to fixed rate through use of interest rate swaps. During the year, the term loan tranche of $17.5 billion was repaid in full. This facility expired in June 2025.

In July 2025, the Authority signed a new five-year dual-tranche unsecured revolving credit facilities of Hong Kong dollar $17.5 billion and RMB2 billion. For the Hong Kong dollar $17.5 billion tranche, interest is payable on amounts drawn down at a rate related to HIBOR. For the RMB2 billion tranche, interest is payable on amounts drawn down at a fixed rate. As at 31 March 2026, there was no outstanding amount under these facilities.

(c) As at 31 March 2026, the Authority has uncommitted money market line facilities of $10 billion (2025: $2,689 million). Interest is payable on amounts drawn down at a rate related to HIBOR. As at 31 March 2026, an amount of $2,500 million (2025: $nil) was outstanding.

(d) In June 2024, the group acquired a subsidiary with interest-bearing borrowings of RMB349 million. As at 31 March 2026, interest in leasehold land of $262 million (2025: $254 million) is pledged as a guarantee for the secured bank loans. The subsidiary also entered into a unsecured bank loan amounted to RMB366 million during the year.

(e) As at 31 March 2026, the interest-bearing borrowings were repayable as follows:

	2026			2025		
$ million	**Bank loans**	**Other borrowings**	**Total**	Bank loans	Other borrowings	Total
Within one year or on demand	**2,509**	**12,768**	**15,277**	17,505	9,560	27,065
After one year but within two years	**9**	**28,632**	**28,641**	17	7,760	7,777
After two years but within five years	**94**	**48,454**	**48,548**	53	52,404	52,457
After five years	**613**	**51,061**	**51,674**	222	74,642	74,864
	716	**128,147**	**128,863**	292	134,806	135,098
	3,225	**140,915**	**144,140**	17,797	144,366	162,163

(f) None of the interest-bearing borrowings is subject to any financial covenants imposed by the lenders. Interest-bearing borrowings are carried at amortised cost. Further details of the group's management of liquidity risk are set out in note 22(b).

17. Unused ACF

$ million	**2026**	2025
At 1 April	**934**	804
Add: ACF received or receivable for the year	**3,277**	2,892
Less: 3RS capital expenditure net off	**(4,211)**	(2,762)
At 31 March	**–**	934

ACF is accrued upon the enplanement of the passenger and is remitted to the Authority by the airlines based on airlines' passenger counts.

ACF collected by the Authority, together with the interest generated thereon, is maintained in designated bank accounts and is used exclusively for paying 3RS-related projects capital expenditure and related interest expenses.

18. Deferred Income

Deferred income mainly represents amounts received in respect of sub-leases of interest in leasehold land of the airport site. They are accounted for in accordance with the accounting policies detailed in note 28(t)(v).

The amount expected to be recognised as income more than one year after the end of the reporting period is included in non-current liabilities.

19. Employee Benefits

(a) Defined benefit plans

The Authority makes contributions to a defined benefit retirement plan ("the Hong Kong plan") registered under the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong), which covers 4% (2025: 5%) of the Authority's employees. The plan is administered by independent trustees with its assets held separately from those of the Authority. The trustees are required by the Trust Deed to act in the best interests of the plan participants and are responsible for setting the investment policies of the plan. Under the plan, an employee is entitled to a lump sum payment upon termination of membership, which is calculated with reference to the final scheme salary and the eligible number of years of service that the employee had.

The plan is funded by contributions from the Authority in accordance with an independent actuary's recommendation based on periodic actuarial valuations (at least every three years).

Based on an independent actuarial valuation of the plan as at 31 March 2026 according to HKAS 19, *"Employee benefits"* prepared by qualified staff of Mercer (Hong Kong) Limited (2025: Mercer (Hong Kong) Limited) using the "projected unit credit" actuarial method and a set of actuarial assumptions, the Authority's obligation under the plan is fully (2025: fully) covered by the plan assets held by the trustees. The signing actuaries are either Fellow members of the Society of Actuaries of the United States of America or an equivalent in another actuarial body.

In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment ("LSP") if the eligibility criteria are met.

HKZAM established a defined benefit retirement plan ("the HKZAM plan") for its eligible employees, which is unfunded and covers 17% (2025: 19%) of HKZAM's employees. Under the plan, a retired employee is entitled to a monthly fixed payment over a period upon retirement. An independent actuarial valuation of this plan according to HKAS 19, "*Employee benefits*", as at 31 March 2026 was also prepared by qualified staff of Mercer (Hong Kong) Limited using the projected unit credit method.

The analysis of the carrying amount of defined benefit plan (asset)/obligations is as follows:

$ million	**2026**	2025
The Hong Kong plan asset (note 19(a))	**(63)**	(25)
The HKZAM plan obligation (note 19(a))	**75**	70
LSP liabilities in Hong Kong	**32**	26
	44	71
Classified in the consolidated statement of financial position as:		
Net defined benefit plan asset	**(63)**	(25)
Net defined benefit plan obligations	**107**	96
	44	71

19. Employee Benefits (continued)

(a) Defined benefit plans (continued)

The plans expose the group to actuarial risks, such as interest rate risk, investment risk and longevity risk. Information about the Hong Kong plan and the HKZAM plan is disclosed below:

(i) The amounts recognised in the consolidated statement of financial position are as follows:

$ million	**2026**	2025
The Hong Kong plan		
Present value of funded obligations	**485**	508
Fair value of plan assets	**(548)**	(533)
	(63)	(25)
The HKZAM plan		
Present value of unfunded obligations	**75**	70
	12	45

A portion of the above liabilities is expected to be settled after more than one year. The Authority expects to pay $10 million in contributions to the Hong Kong plan for the year ending 31 March 2027.

(ii) Plan assets consist of the following:

$ million	**2026**	2025
Equity securities	**222**	218
Corporate bonds	**291**	277
Cash	**28**	28
Net other receivables	**7**	10
	548	533

All of the equity securities and bonds have quoted prices in active markets.

An asset-liability modelling study is performed periodically to analyse the strategic investment policies of the Hong Kong plan. Based on the latest review, the strategic asset allocation of the Hong Kong plan is around 42.5% in equities and 57.5% in bonds and cash.

The HKZAM plan is unfunded and without any plan assets.

19. Employee Benefits (continued)

(a) Defined benefit plans (continued)

(iii) The movements in the present value of the defined benefit obligations are as follows:

$ million	**2026**	2025
The Hong Kong plan		
At 1 April	**508**	559
Remeasurements:	**7**	22
– Actuarial loss arising from changes in financial assumptions	**11**	9
– Experience adjustments	**(4)**	13
Benefits paid by the plans	**(65)**	(111)
Current service cost	**18**	20
Interest cost	**17**	18
At 31 March	**485**	508
The HKZAM plan	**75**	70
At 31 March	**560**	578

The weighted average durations of the defined benefit obligations for the Hong Kong plan and the HKZAM plan are 3.3 years (2025: 3.8 years) and 7.8 years (2025: 8.1 years) respectively.

(iv) The movements in plan assets are as follows:

$ million	**2026**	2025
At 1 April	**533**	615
Group's contributions paid to the plans	**12**	13
Benefits paid by the plans	**(65)**	(111)
Actual return on plan assets	**68**	16
– Interest income	**18**	21
– Return on plan assets, excluding interest income	**52**	(3)
– Administrative expenses paid from plan assets	**(2)**	(2)
At 31 March	**548**	533

19. Employee Benefits (continued)

(a) Defined benefit plans (continued)

(v) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

$ million	**2026**	2025
Amounts recognised in profit or loss:		
The Hong Kong plan		
Current service cost	**18**	20
Administrative expenses paid from plan assets	**2**	2
Net interest income on net defined benefit asset	**(1)**	(3)
	19	19
The HKZAM plan	**3**	1
Total amounts recognised in profit or loss	**22**	20
Amounts recognised in other comprehensive income:		
The Hong Kong plan		
Remeasurements:		
– Actuarial loss arising from changes in financial assumptions	**11**	9
– Experience adjustments	**(4)**	13
Return on plan assets, excluding interest income	**(52)**	3
	(45)	25
The HKZAM plan	**1**	4
Total amounts recognised in other comprehensive income	**(44)**	29
Total defined benefit (income)/expense	**(22)**	49

The current service cost and administrative expenses paid are recognised in the following line items in the consolidated statement of profit or loss.

$ million	**2026**	2025
The Hong Kong plan and the HKZAM plan	**22**	20
LSP liabilities in Hong Kong	**5**	22
Staff costs and related expenses	**27**	42

19. Employee Benefits (continued)

(a) Defined benefit plans (continued)

(vi) Significant actuarial assumptions and sensitivity analysis are as follows:

	2026	2025
The Hong Kong plan		
Discount rate	**2.3%**	3.0%
Future long term salary increases	**3.5%**	3.5%
The HKZAM plan		
Discount rate	**1.7%**	1.8%

The below analysis shows how the defined benefit obligations as at 31 March 2026 would have increased/(decreased) as a result of a 0.5% change in the significant actuarial assumptions:

$ million	**Increase by 0.5%**	**Decrease by 0.5%**
The Hong Kong plan		
Discount rate	**(8)**	**8**
Future long term salary increases	**10**	**(10)**
The HKZAM plan		
Discount rate	**(3)**	**3**

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions. The analysis is performed on the same basis for 2024/25.

(b) Defined contribution retirement plans

(i) The Authority also operates Mandatory Provident Fund Schemes ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance ("the MPF Ordinance") for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Ordinance, the employer and its employees are each required to make minimum statutory contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of $30,000. However, under the MPF schemes, contributions by the group range from 5% to 15% of employees' relevant income and have been charged to profit or loss. While statutory contributions to the plan vest immediately, voluntary contributions to the plan vest over a period of two to seven years.

(ii) As stipulated by the regulations of the Chinese Mainland, certain subsidiaries participate in basic defined contribution pension plans administered by municipal governments under which they are governed. The group has no other material obligation for payment of basic retirement benefits beyond the annual contributions which are calculated at a rate based on the salaries, bonuses and certain allowances of its employees.

20. Capital, Reserves and Dividend

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the group's consolidated equity is set out in the consolidated statement of changes in equity on page 106.

(b) Dividend

$ million	**2026**	2025
Final dividend payable to the holder of ordinary shares of the Authority in respect of the previous financial year, approved and paid during the year of $4,241.71 per ordinary share (2025: $nil)	**1,300**	–
Final dividend proposed by the Authority after the end of the reporting period of $1,631.42 per ordinary share (2025: $4,241.71 per ordinary share)	**500**	1,300

The final dividend declared after the end of the reporting periods has not been recognised as a liability at the end of the reporting periods.

(c) Share capital

	The Authority	
$ million	**2026**	2025
Authorised, issued, allotted and fully paid: 306,480 ordinary shares of $100,000 each (2025: 306,480 ordinary shares of $100,000 each)	**30,648**	30,648

(d) Nature and purpose of reserves

(i) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities outside Hong Kong as well as the effective portion of any foreign exchange differences arising from the hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 28(u).

(ii) Capital reserve

The capital reserve primarily comprises the share of results of a joint venture in the Chinese Mainland which are not distributable as required by the relevant government regulations and the retained profits of AVSECO which according to its memorandum of association and the shareholders' agreement cannot be distributed.

(iii) Contribution from the Government

The contribution from the Government comprises the excess of the group's acquired interests in the net fair values of identifiable assets and liabilities of IECH over the consideration paid, which included its pre-existing interests in IECH remeasured at fair values as at the acquisition date.

20. Capital, Reserves and Dividend (continued)

(d) Nature and purpose of reserves (continued)

(iv) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow dealt with in accordance with the accounting policy adopted for cash flow hedges set out in note 28(f).

(v) Cost of hedging reserve

The cost of hedging reserve comprises the fair values of the effect of foreign currency basis spread and forward element of the derivative financial instruments used in cash flow hedges in accordance with the accounting policy adopted for cash flow hedges set out in note 28(f).

(vi) Distributability of reserves

As at 31 March 2026, the aggregate amount of reserves available for distribution to the equity shareholder of the Authority was $48,075 million (2025: $47,350 million). After the end of the reporting period, the Board proposed a final dividend of $1,631.42 per ordinary share (2025: $4,241.71 per ordinary share). The final dividend amounted to $500 million (2025: $1,300 million). This dividend has not been recognised as a liability at the end of the reporting period.

(vii) Capital management

The primary objectives of the group when managing capital are to safeguard the group's ability to continue as a going concern, maintain a strong credit rating and a healthy capital ratio to support the business and to enhance shareholder value.

The group manages its capital structure by taking into consideration its future capital requirements, capital efficiency and projected cash flow. To adjust its capital structure, the group may raise or reduce its outstanding debt. The group is also empowered by the Ordinance to either increase or reduce its share capital under the direction of the Financial Secretary and the Legislative Council. The Ordinance provides that these directions be made following consultation with the Authority.

The group monitors its capital structure on the basis of a total debt/capital ratio. The total debt/capital ratios of the group at the end of the reporting periods are as follows:

$ million	Note	**2026**	2025
Total debt [1]	16	**144,140**	162,163
Total equity		**91,614**	92,090
Total capital [2]		**235,754**	254,253
Total debt/capital ratio		**61%**	64%

[1] Total debt represents interest-bearing borrowings.

[2] Total capital represents total debt plus total equity.

Neither the Authority nor any of its subsidiaries are subject to externally imposed capital requirements.

21. Perpetual Capital Securities

In December 2020, the Authority issued dual-tranche senior perpetual capital securities ("Series A Securities" and "Series B Securities" respectively) with principal amount of US$750 million each. The securities are listed on the Hong Kong Stock Exchange.

Series A Securities are non-callable in the first 7.5 years at a distribution rate of 2.40% per annum and floating thereafter with fixed initial spread and step up margin. Series B Securities are non-callable in the first 5.5 years at a distribution rate of 2.10% per annum and floating thereafter with fixed initial spread and step up margin. The payments of distributions can be deferred at the discretion of the Authority and the securities do not contain any contractual obligations to pay the distributions. The securities are classified as equity in the consolidated financial statements of the Authority.

22. Financial Risk Management and Fair Values of Financial Instruments

The group's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign currency risk. The group conducts its financial risk management activities in accordance with the policies and practices recommended by the Audit Committee and Finance Committee of the Authority. The group's exposure to these risks and the financial risk management policies and practices used by the group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the group. The group's credit risk is primarily attributable to trade and other receivables, over-the-counter derivative financial instruments entered into for hedging purposes and cash and bank balances. Management has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, there are procedures in place to closely monitor the payment performance. Individual credit evaluations are performed on customers requiring credit over a certain amount or customers with long overdue history, which focus on their payment history, ability to pay, as well as information specific to the customers and the economic environment in which they operate. Trade receivables are generally due within 14 to 30 days from the date of billing. In respect of the group's rental and franchise income from operating leases and franchise/sub-lease arrangements respectively, sufficient deposits and bank guarantees are held to cover potential exposure to credit risk.

Cash and bank balances are placed with financial institutions with sound credit ratings to minimise credit exposure. Transactions involving derivative financial instruments are with counterparties with sound credit ratings and with whom the group has signed netting agreements. Given their high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(a) Credit risk (continued)

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the group has significant exposure to individual customers. At the end of the reporting period, the group has a certain concentration of credit risk as 13% (2025: 16%) and 40% (2025: 23%) of the total trade and other receivables was due from the group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position after deducting any loss allowance. The group does not provide any guarantees which would expose the group to credit risk.

Further quantitative disclosures in respect of the group's exposure to credit risk arising from trade and other receivables are set out in note 13.

(b) Liquidity risk

All cash management of the group, including the short term investment of cash surpluses and raising of loans and other borrowings to cover expected cash demands, are managed centrally by the Authority except AVSECO, HKIA Services Holdings Limited sub-group, HKZAM, IECH and DGLPI which handle their own cash management. The Authority's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate credit facilities from major financial institutions to meet its liquidity requirements in the short and longer term.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting periods of the group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the group can be required to pay:

		Contractual undiscounted cash flow				
$ million	**Carrying amount at 31 March**	**Total**	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**
2026						
Interest-bearing borrowings	**144,140**	**183,732**	**20,476**	**33,446**	**57,866**	**71,944**
Trade and other payables	**15,023**	**15,385**	**14,356**	**663**	**277**	**89**
Interest rate swaps (net settled)	**(40)**	**(33)**	**(23)**	**(10)**	**–**	**–**
Cross currency swaps (gross settled)	**3,651**					
– inflow		**(123,265)**	**(11,736)**	**(17,478)**	**(53,497)**	**(40,554)**
– outflow		**121,887**	**11,474**	**17,226**	**52,864**	**40,323**
Forward exchange contracts (gross settled)	**7**					
– inflow		**(118)**	**(10)**	**(11)**	**(97)**	**–**
– outflow		**121**	**11**	**11**	**99**	**–**
	162,781	**197,709**	**34,548**	**33,847**	**57,512**	**71,802**
2025						
Interest-bearing borrowings	162,163	207,099	32,745	12,849	64,060	97,445
Trade and other payables	16,777	17,013	15,528	1,047	360	78
Interest rate swaps (net settled)	(151)	(251)	(186)	(46)	(19)	–
Cross currency swaps (gross settled)	2,685					
– inflow		(136,235)	(13,904)	(11,647)	(42,383)	(68,301)
– outflow		135,599	13,712	11,474	42,105	68,308
Forward exchange contracts (gross settled)	16					
– inflow		(116)	(9)	(9)	(98)	–
– outflow		131	10	11	110	–
	181,490	223,240	47,896	13,679	64,135	97,530

As shown above, interest-bearing borrowings (including interest) of the group amounting to $20,476 million (2025: $32,745 million) are due to be repaid in the upcoming 12 months after 31 March 2026. The short term liquidity risk inherent in this contractual maturity will be addressed by internal sources of funds and new external borrowings.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's interest rate risk arises primarily from long term interest-bearing borrowings. Borrowings at variable rates and at fixed rates expose the group to cash flow interest rate risk and fair value interest rate risk respectively. The group's interest rate profile as monitored by management is set out in (ii) below.

(i) Hedges of interest rate risk

Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an appropriate mix of fixed and floating interest rate exposure within the group's policy.

The group classifies interest rate swaps into cash flow hedges and states them at their fair values in accordance with the policy set out in note 28(f).

Details of the notional amounts, maturity period and fair values of swaps entered into by the group at the end of the reporting periods are set out in note 22(e). These amounts are recognised as derivative financial instruments in the consolidated statement of financial position.

The group seeks to hedge the benchmark interest rate component only and applies a hedge ratio of 1:1. The existence of an economic relationship between the interest rate swaps and the borrowings is determined by matching their critical contract terms, including the reference interest rates, tenors, maturity dates, interest payment and/or receipt dates, the notional amounts of the swaps and the outstanding principal amounts of the borrowings. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the group's own credit risk on the fair value of the swaps which is not reflected in the fair value of the hedged cash flows attributable to the change in interest rates.

The following table provides a reconciliation of the hedging reserve in respect of interest rate risk and shows the effectiveness of the hedging relationships:

$ million	**2026**	2025
At 1 April	**127**	740
Effective portion of the cash flow hedge recognised in other comprehensive income	**(111)**	(734)
Less: deferred tax	**18**	121
At 31 March	**34**	127
Change in fair value of the interest rate swaps during the year	**(111)**	(734)
Hedge ineffectiveness recognised in consolidated statement of profit or loss	**–**	–
Effective portion of the cash flow hedge recognised in other comprehensive income	**(111)**	(734)

(c) Interest rate risk (continued)

(ii) Interest rate profile

The following table details the interest rate profile of the group's borrowings at the end of the reporting periods, after taking into account the effect of interest rate swaps designated as fair value hedging instruments ((i) above).

$ million	**2026**	2025
Fixed rate borrowings		
Bank loans [1]	–	17,497
Fixed rate retail bonds	**4,937**	4,973
Fixed rate notes	**134,478**	137,894
Floating rate notes [1]	**1,500**	1,499
Total fixed rate borrowings	**140,915**	161,863
Variable rate borrowings		
Bank loans	**3,225**	300
Total borrowings	**144,140**	162,163
Fixed rate borrowings as a percentage of total borrowings	**97.8%**	99.8%

[1] Swapped to fixed rate

(iii) Sensitivity analysis

As at 31 March 2026, it is estimated that a general increase of 50 basis points in interest rates, with all other variables held constant, would have increased the group's profit after taxation and retained profits by approximately $13 million (2025: $7 million), while a general decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased the group's profit after taxation and retained profits by approximately $13 million (2025: $5 million). Other components of consolidated equity would have increased by approximately $133 million (2025: $140 million) and decreased by approximately $131 million (2025: $134 million) in response to the general increase and decrease in interest rates respectively. The effect of interest-bearing bank deposits is not expected to be significant and has not been taken into account in the analysis.

The sensitivity analysis above indicates the instantaneous change in the group's profit after taxation, retained profits and other components of consolidated equity that would have arisen assuming that the change in interest rates had occurred at the end of the reporting periods and had been applied to re-measure those financial instruments held by the group which expose the group to fair value interest rate risk at the end of the reporting periods. In respect of the exposure to cash flow interest rate risk arising from floating interest rate non-derivative instruments held by the group at the end of the reporting period, the impact on the group's profit after taxation and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis has been performed on the same basis as for prior years.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(d) Foreign currency risk

It is the Authority's policy to require all major operational contracts to be in Hong Kong dollars. The few exceptions to this have involved small value contracts or contracts that were hedged.

The group is exposed to foreign currency risk primarily through the issue of notes, cash and bank balances and future transactions which give rise to payables that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily US dollars, Renminbi and Australian dollars.

As at 31 March 2026, the group is exposed to US dollar currency risk in respect of the US dollar notes issued of US$12,650 million (2025: US$13,150 million) and cash and bank balances of US$795 million (2025: US$38 million).

Although the US dollar currency risk is substantially mitigated by the peg between Hong Kong dollar and US dollar, the group further reduces this risk by the use of cross currency swaps to hedge most of the payment of the US dollar notes into Hong Kong dollar. The group designates these cross currency swaps as cash flow hedges. Details of the notional amounts, maturity period and fair values of cross currency swaps entered into by the group at the end of the reporting periods are set out in note 22(e). These amounts are recognised as derivative financial instruments in the consolidated statement of financial position.

The group uses forward exchange contracts to manage its Australian dollar currency risk until the settlement date of foreign currency payables. The group designates those forward exchange contracts as hedging instruments in cash flow hedges and separates the forward and spot element of a forward exchange contract and designates the change in value of the spot element as hedging instrument. Correspondingly, the hedged item is measured based on the forward exchange rate.

The group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between:

(i) the cross currency swaps and the US dollar notes; and

(ii) the forward exchange contracts and the highly probable forecast transactions, based on their currency amounts and the timing of their respective cash flows.

The main sources of ineffectiveness in these hedging relationships are due to the different day count and day adjustments in each of the deals.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(d) Foreign currency risk (continued)

The following table provides a reconciliation of the hedging reserve in respect of foreign currency risk and shows the effectiveness of the hedging relationships:

$ million	**2026**	2025
At 1 April	**(13)**	(9)
Effective portion of the cash flow hedge recognised in other comprehensive income	**765**	(462)
Amount transferred from equity to consolidated statement of profit or loss	**(752)**	457
Less: deferred tax	**(2)**	1
At 31 March	**(2)**	(13)
Change in fair value of the cross currency swaps during the year	**758**	(463)
Change in fair value of the forward exchange contracts during the year	**13**	(5)
Hedge ineffectiveness recognised in consolidated statement of profit or loss	**(6)**	6
Effective portion of the cash flow hedge recognised in other comprehensive income	**765**	(462)

As at 31 March 2026, the group's borrowings denominated in US dollar were swapped into Hong Kong dollar by entering into the cross currency swaps. As the Hong Kong dollar is pegged to US dollar at a range between 7.75 to 7.85, management considers that the foreign currency risk associated with the US dollar exposure is not material to the group. Accordingly, no sensitivity analysis is considered necessary.

The group has hedged the foreign currency risk in respect of certain of its investments in entities incorporated in the Chinese Mainland. The group will continue to adopt appropriate measures to hedge the foreign currency risk in respect of its foreign investments to manage the net exposure to an acceptable level.

As at 31 March 2026, except for the borrowings designated to hedge net investments in entities incorporated in the Chinese Mainland, the group is exposed to Renminbi currency risk arising from RMB notes issued of RMB1,844 million (2025: RMB4,010 million), prepayments for investment in ZAG of RMBnil (2025: RMB2,166 million) and cash and bank balances of RMB1,769 million (2025: RMB1,969 million). If Hong Kong dollars had strengthened/weakened by 5% against Renminbi with all other variables held constant, the group's profit after taxation and retained earnings would have been $5 million (2025: $6 million) lower/higher. The analysis is performed on the same basis for 2024/25.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, "*Fair value measurement*". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: fair value measured using significant unobservable inputs.

The fair value disclosure of investment property carried at cost follows the above hierarchy (note 9(c)).

As at 31 March 2025 and 2026, the group's derivative financial instruments are carried at fair value. These instruments fall under Level 2 of the fair value hierarchy described above.

During the year, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2025: $nil). The group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

Fair values and notional amounts of derivative financial instruments outstanding at the end of the reporting periods are summarised as follows:

	Recurring fair value measurement using significant other observable inputs (Level 2)					
	2026			2025		
$ million	**Notional amount**	**Financial assets**	**Financial liabilities**	Notional amount	Financial assets	Financial liabilities
Cash flow hedges						
Interest rate swaps	**$1,500**	**40**	**–**	$19,000	151	–
Cross currency swaps	**US$12,650**	**–**	**(3,580)**	US$13,150	–	(2,581)
Forward exchange contracts	**AUD22**	**–**	**(7)**	AUD24	–	(16)
Derivative financial instruments for perpetual capital securities	**US$750**	**–**	**(71)**	US$1,500	–	(104)
Total		**40**	**(3,658)**		151	(2,701)
Less: portion to be recovered/ (settled) within one year						
Cash flow hedges						
Interest rate swaps	**$1,500**	**28**	**–**	$19,000	104	–
Cross currency swaps	**US$12,650**	**–**	**(22)**	US$13,150	–	(37)
Forward exchange contracts	**AUD22**	**–**	**–**	AUD24	–	(1)
Derivative financial instruments for perpetual capital securities	**US$750**	**–**	**(1)**	US$1,500	–	(15)
		28	**(23)**		104	(53)
Portion to be recovered/ (settled) after one year		**12**	**(3,635)**		47	(2,648)

Derivative financial instruments qualifying as cash flow hedges as at 31 March 2026 have maturities of 0.3 year to 8.8 years (2025: 0.3 year to 9.8 years) from the end of the reporting period.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of forward exchange contracts, cross currency swaps and interest rate swaps are the estimated amount that the Authority would receive or pay to terminate the swap and forward exchange contracts at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the counterparties. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the end of the reporting period.

22. Financial Risk Management and Fair Values of Financial Instruments (continued)

(e) Fair value measurement (continued)

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 March 2026 and 2025 except for the following financial instruments, for which their carrying amounts and fair values and the level of fair value hierarchy are disclosed below:

$ million	Notional amount	Carrying amount at 31 March	Fair value at 31 March	Fair value measurements categorised into Level 1	Level 2	Level 3
2026						
Fixed rate retail bonds	**$4,941**	**4,937**	**4,970**	**4,970**	**–**	**–**
Fixed rate notes	**US$12,650, RMB4,700 and $30,528**	**134,478**	**130,583**	**122,632**	**7,951**	**–**
2025						
Fixed rate retail bonds	$4,988	4,973	5,055	5,055	–	–
Fixed rate notes	US$13,150, RMB4,700 and $31,228	137,890	131,759	123,336	8,423	–

Discounted cash flow techniques are used in deriving the fair value of the fixed rate notes. The discount rates used are market related rates at the end of the reporting period.

23. Outstanding Commitments

The outstanding commitments in respect of capital expenditure not provided for in the consolidated financial statements are as follows:

$ million	**2026**	2025
Contracted for	**14,358**	9,195
Authorised but not contracted for	**22,414**	39,692
	36,772	48,887

The outstanding commitments of the group's joint venture, HXIA, are separately disclosed in note 12(a).

24. Material Related Party Transactions

The Authority is wholly owned by the Government. Transactions between the group and Government departments, agencies or Government controlled entities, other than those transactions such as the payment of fees, taxes, rent and rates, etc. that arise in the normal dealings between the Government and the group, are considered to be related party transactions pursuant to HKAS 24, "*Related party disclosures*" and are identified separately in these consolidated financial statements.

Members of the Board and Executive Directors, and parties related to them, are also considered to be related parties of the Authority. Material transactions with these parties, if any, are separately disclosed. Emoluments paid to Members of the Board and Executive Directors are disclosed in note 7.

During the year, other than disclosed elsewhere in the consolidated financial statements, the Authority has had the following material related party transactions:

(a) The Authority has entered into agreements with the Government under which the Government provides maintenance services in respect of airfield ground lighting, infrastructure power network and engineering systems and equipment at the airport. The amounts incurred for these services for the year amounted to $42 million (2025: $43 million). As at 31 March 2026, the amounts due to the Government with respect to the above services amounted to $56 million (2025: $32 million).

(b) The Authority has also entered into service agreements with the Government under which the Government is to provide aviation meteorological and air traffic control services and aircraft rescue and fire fighting services at the airport. The amounts incurred for the year amounted to $1,348 million (2025: $1,033 million) and the amounts due to the Government as at 31 March 2026 with respect to the above services amounted to $1 million (2025: $1 million).

(c) The Authority and HKIA Staff Services Limited ("HKIASS"), a subsidiary of the Authority, have entered into a service agreement with the Government under which the Authority agreed through HKIASS, to provide additional manpower to the Government to meet foreseeable human resources demand in rendering air traffic control services at the airport (note 24(b)) at nil consideration.

(d) The Authority has entered into an agreement with MTR Corporation Limited ("MTRC"), in which the Government is the majority shareholder, under which MTRC provides maintenance services to the Automated People Mover System and Cars in Terminal 1, SkyPier and T1 Midfield Concourse. The amounts incurred by the Authority for these services for the year amounted to $221 million (2025: $196 million). As at 31 March 2026, the amounts due to MTRC with respect to the maintenance services amounted to $193 million (2025: $171 million).

(e) The Authority has leased certain areas at the airport to Hongkong International Theme Parks Ltd. ("HKITP"), in which the Government is the majority shareholder. The aggregate amounts received and receivable for the year amounted to $66 million (2025: $69 million). As at 31 March 2026, the amounts due from HKITP amounted to $0.1 million (2025: $5 million).

(f) AVSECO, a subsidiary of the Authority, has provided security-related services to various Government departments, agencies and Government controlled entities other than the Authority. The aggregate amounts received and receivable for the year amounted to $83 million (2025: $78 million). As at 31 March 2026, the aggregate amounts due from these departments, agencies or entities amounted to $9 million (2025: $16 million).

(g) AWEM, a subsidiary of the Authority, operates the AsiaWorld-Expo exhibition centre. The aggregate amounts received and receivable from the convention and exhibition revenue from various Government departments and Government controlled entities other than the Authority for the year amounted to $44 million (2025: $74 million). As at 31 March 2026, the aggregate amounts due from these departments or entities amounted to $1 million (2025: $13 million).

(h) To provide services for the sole benefit of the airport and its users, the Authority sub-leases part of its interest in leasehold land at "nil" rental and support additional facilities at "nil" cost to various Government departments, agencies or Government controlled entities.

25. Immediate and Ultimate Controlling Party

As at 31 March 2026, the immediate parent and ultimate controlling party of the group is the Government.

26. Accounting Judgements and Estimates

(a) Critical accounting judgements in applying the group's accounting policies

In applying the group's accounting policies, management has made the following accounting judgements:

(i) Interest in leasehold land

The Authority was granted the rights to the airport site at Chek Lap Kok for a nominal land premium and was responsible for all of the costs for the formation of the airport site. The land formed is considered to have all the characteristics of land in Hong Kong and will revert to the lessor at the end of the Land Grant. Such cost is considered to have been incurred to obtain the benefits of a leasehold land. Accordingly, the land premium and the land formation costs have been classified as interest in leasehold land. Upon the granting of finance leases of portions of the land concerned, the cost of leasehold land excluded from the consolidated statement of financial position is based on an apportionment of the overall land cost.

(ii) Sub-lease of leasehold land

The Authority sub-leases part of its interest in leasehold land to various Government departments, agencies or Government controlled entities at "nil" rental for substantially the full period of the Land Grant, to provide services for the sole benefit of the airport and its users. As it is considered that these sub-leases are for the sole benefit of the Authority for enhancing services at the airport, they are in substance held for the full and exclusive benefit of the Authority and accordingly such sub-leases continue to be treated as interest in leasehold land in the consolidated financial statements of the Authority and are not derecognised.

(iii) Interests in joint ventures

HXIA receives Civil Aviation Development Fund subsidies ("CADF") for airport development purposes from the Chinese Mainland government which are required to be treated as a capital contribution in HXIA's Chinese Mainland statutory financial statements.

In the group's consolidated financial statements, the group equity accounts for its share of the CADF according to its shareholding percentage, on the basis that all shareholders of HXIA can enjoy the economic benefits arising from the CADF received by HXIA.

Prior to June 2016, the group recognised its share of the CADF in the consolidated statement of profit or loss in the same period as recognised by HXIA. In June 2016, the group changed its method of recognising the CADF as a result of additional conditions being imposed by the Ministry of Finance and the Civil Aviation Administration of China in relation to the governance of CADF applications (財建 [2016] 362號). As these new conditions are similar to those imposed on government grants related to assets, from June 2016 onwards the group recognises its share of the CADF over the useful life of the subsidised assets.

As the CADF may only be used for restricted purposes and are not distributable, the group transfers such amounts from retained profits to the capital reserve.

26. Accounting Judgements and Estimates (continued)

(b) Major sources of estimation uncertainty

Notes 19 and 22(e) contain information about the assumptions and their risk factors relating to defined benefit plan asset/obligations and the fair value of financial instruments respectively. Other major areas of estimation uncertainty are as follows:

(i) Estimated useful lives and depreciation of property, plant and equipment

In assessing the estimated useful lives of property, plant and equipment, management takes into account factors such as the expected usage of the asset by the group based on past experience, the expected physical wear and tear (which depends on operational factors), technical obsolescence arising from changes or improvements in production or from a change in the market demand for the product or service output of the asset. The estimation of the useful life is a matter of judgement based on the experience of the group.

Management reviews the useful lives of property, plant and equipment annually and if expectations are significantly different from previous estimates of useful lives, the useful lives and, therefore, the depreciation rate for the future periods are adjusted accordingly.

(ii) Project provisions

The group establishes project provisions for the settlement of estimated claims that may arise due to time delays, additional costs or other unforeseen circumstances common to major construction contracts. The claims provisions which are estimated based on a best assessment of the group's liabilities under each contract by professionally qualified personnel may differ from the actual claims settlement.

27. Fund-raising Event Requiring Public Subscription Permit from Social Welfare Department

The Authority has a donation box fund-raising programme under Public Subscription Permit (Permit No.: 2025/053/1) from Social Welfare Department to support the services of certain charitable organisations. During the period from 1 April 2025 to 31 March 2026, the donations received was $0.44 million (2025: $0.33 million). After deducting handling fees of $0.07 million (2025: $0.06 million) charged by a service provider not related to the Authority, the net donations distributed of $0.37 million (2025: $0.27 million) were equally allocated among Friends of the Earth (HK) Charity Limited, Green Power Limited, Hong Kong Air Cadet Corps, OIWA Limited, The Neighbourhood Advice-Action Council Tung Chung Integrated Services Centre, Hong Kong Committee for UNICEF and World Wide Fund for Nature Hong Kong (2025: The Community Chest of Hong Kong, Changing Young Lives Foundation, Friends of the Earth (HK) Charity Limited, Green Power Limited, OIWA Limited, The Neighbourhood Advice-Action Council Tung Chung Integrated Services Centre and World Wide Fund for Nature Hong Kong).

28. Material Accounting Policies

(a) Changes in accounting policies

The HKICPA has issued certain amended HKFRS Accounting Standards that are first effective for the current accounting period of the group.

None of these developments has had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Authority, and in respect of which the group has not agreed any additional terms with the holders of those interests which would result in the group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the group measures non-controlling interests at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholder of the Authority. Non-controlling interests in the results of the group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholder of the Authority. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 28(n) or (o) depending on the nature of the liability.

Changes in the group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in a joint venture (note 28(c)).

28. Material Accounting Policies (continued)

(c) Joint ventures

A joint venture is an arrangement whereby the group or the Authority and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the group's equity investment. Thereafter, the investment is adjusted for the post-acquisition change in the group's share of the investee's net assets and any impairment losses relating to the investment (notes 28(d) and (j)). Any acquisition-date excess over cost, the group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the group's share of losses exceeds its interest in the joint venture, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the group and its joint ventures are eliminated to the extent of the group's interests in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that joint venture, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former joint venture at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate.

(d) Goodwill

Goodwill represents the excess of the cost of an investment in a joint venture over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities as at the acquisition date.

In respect of an investment in a joint venture, the carrying amount of goodwill is included in the carrying amount of the interest in the joint venture and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (note 28(j)).

Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of an investment in a joint venture is recognised immediately in profit or loss.

On disposal of a joint venture, any attributable amount of goodwill is included in the calculation of the profit or loss on disposal.

28. Material Accounting Policies (continued)

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(f) Accounting for derivative financial instruments and hedging activities

The group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or (2) hedges of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction (cash flow hedges). Some borrowings are designated as hedges of foreign currency risks of a net investment in a foreign operation.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised directly in other comprehensive income and accumulated separately in equity in the hedging reserve. Amounts accumulated in equity are reclassified from equity to profit or loss in the periods when the hedged transaction affects profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or no longer meets the criteria for hedge accounting; or the group revokes designation of the hedge relationship but if the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to profit or loss immediately.

The foreign currency basis spread and forward element of derivatives, which have been separated and excluded from the designation as cash flow hedges, are recognised directly in other comprehensive income and accumulated separately in equity in the cost of hedging reserve. Amounts accumulated in equity are amortised and reclassified from equity to profit or loss over the term of derivatives.

(iii) Hedge of net investments in foreign operations

The effective portion of any foreign exchange gains or losses on the borrowings is recognised in other comprehensive income and presented in the exchange reserve within equity. Any ineffective portion is recognised immediately in profit or loss. The amount accumulated in the exchange reserve is fully or partially reclassified through other comprehensive income to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

(iv) Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

28. Material Accounting Policies (continued)

(g) Investment property, interest in leasehold land, other property, plant and equipment

(i) The Authority was responsible for all of the costs of the formation of the airport site. The land formation cost and the land premium have been classified as interest in leasehold land. Interest in leasehold land is stated in the consolidated statement of financial position at cost less accumulated amortisation and impairment losses (note 28(j)).

(ii) Investment property

Investment property includes leasehold land and its related improvements and/or buildings held to earn rental income. This includes land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment property is stated in the consolidated statement of financial position at cost net of accumulated depreciation and impairment losses (note 28(j)). Investment property is depreciated over its estimated useful life or the unexpired term of the lease, whichever is shorter. Rental income from investment property is accounted for as described in note 28(t).

(iii) Other property, plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment, are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses (note 28(j)).

(iv) Repairs and maintenance expenditure in respect of investment property, and other property, plant and equipment is charged to profit or loss as and when incurred.

(v) Gains or losses arising from the retirement or disposal of investment property, interest in leasehold land, and an item of other property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of investment property, interest in leasehold land, and the item and are recognised in profit or loss on the date of retirement or disposal.

(vi) Construction in progress

Assets under construction and capital works are stated at cost. Costs comprise direct costs of construction, such as materials, direct staff costs, an appropriate proportion of production overheads, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and net borrowing costs (note 28(n)) capitalised during the period of construction or installation and testing. Capitalised costs also include provision amount assessed by the group that may be required for the settlement of contractual claims from contractors. Capitalisation of these costs ceases and the asset concerned is transferred to investment property, interest in leasehold land, other property, plant and equipment when substantially all the activities necessary to prepare the asset for its intended use are completed, at which time it commences to be depreciated in accordance with the policy detailed in note 28(h).

28. Material Accounting Policies (continued)

(g) Investment property, interest in leasehold land, other property, plant and equipment (continued)

(vii) Leased assets

At inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(1) As a Lessee

At the lease commencement date, the group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the group enters into a lease in respect of a low-value asset, the group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses ((iii) above).

(2) As a Lessor

When the group acts a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

When the group leases out assets under operating leases, the assets are included in the consolidated statement of financial position according to their nature and are depreciated in accordance with the group's depreciation policies set out in note 28(h) below. Revenue arising from operating leases is recognised in accordance with the group's revenue recognition policies set out in note 28(t) below.

When the group leases out its interest in leasehold land up to substantially the full period of the underlying Land Grant and the related risks and rewards are substantially transferred to the lessees, such leases are accounted for as finance leases. The interest in leasehold land is derecognised and the differences between the carrying amount of the interest in leasehold land and net proceeds received for such arrangements are recognised in profit or loss from the commencement dates of such finance leases.

28. Material Accounting Policies (continued)

(h) Depreciation

Depreciation is calculated to write off the cost of items of investment property, interest in leasehold land, and other property, plant and equipment less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The cost of 3RS assets funded by ACF comprises direct construction costs and related net borrowing costs, net of the amount funded by the ACF.

The estimated useful lives are:

Interest in leasehold land	Unexpired term of lease
Airfields:	
Runway base courses, taxiways and road non-asphalt layers, aprons and tunnels	15 years to unexpired term of lease
Runway wearing courses, taxiways and road asphalt layers, lighting and other airfield facilities	5 to 25 years
Terminal complexes and ground transportation centre:	
Building structure and road non-asphalt layers	Unexpired term of lease
Road asphalt layers, building services and fit-outs	5 to 30 years
Access, utilities, other buildings and support facilities:	
Road and bridge non-asphalt layers	20 years to unexpired term of lease
Road and bridge asphalt layers, other building and support facilities	7 years to unexpired term of lease
Utility supply equipment	5 to 25 years
Systems, installations, plant and equipment	3 years to unexpired term of lease
Furniture, fixtures and equipment	3 to 15 years
Right-of-use assets	Unexpired term of lease
Investment property:	
Building structure	Unexpired term of lease
Building services and fit-outs	5 to 30 years
Furniture, fixtures and equipment	3 to 15 years

Where parts of an item of investment property, interest in leasehold land, and other property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the group are stated in the consolidated statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (note 28(j)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The group's intangible assets, which are a franchise with a finite useful life, are amortised from the date it became available for use over the franchise period of 20 years. The period and method of amortisation are reviewed annually.

28. Material Accounting Policies (continued)

(j) Impairment of assets

(i) Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired, or an impairment loss previously recognised no longer exists or may have decreased:

– interest in leasehold land;

– investment property;

– other property, plant and equipment;

– intangible assets; and

– interests in joint ventures.

If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(ii) Interim financial reporting and impairment

At the end of the interim period, the group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year.

(k) Stores and spares

Stores and spares are carried at the lower of cost and net realisable value. Cost comprises all costs of purchase and costs incurred in bringing the stores and spares to their present location and condition and is computed on a weighted average cost basis, less provision for obsolescence. The amount of any write-down of stores and spares to their net realisable value and provision for obsolescence are recognised as an expense in the period the write-down or provision occurs. Any obsolete and damaged stores and spares are written off to profit or loss.

(l) Trade and other receivables

Trade and other receivables are recognised when the group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less loss allowance for credit losses.

The group recognises a loss allowance for ECLs on the financial assets measured at amortised cost (trade and other receivables).

Financial assets measured at fair value, including derivative financial assets, are not subject to the ECL assessment.

28. Material Accounting Policies (continued)

(l) Trade and other receivables (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs (which are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies).

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as a gain or loss in profit or loss. The group recognises a gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of loss in profit or loss in the period in which the recovery occurs.

(m) ACF

The ACF is collected by the Authority from passengers exclusively for the purpose of meeting 3RS construction costs and related interest expenses. ACF is recognised in the consolidated statement of financial position upon receipt or becoming receivable from the collecting parties. It is initially recognised as unused ACF, until it is used to settle the relevant costs of construction or interest expenses. For ACF that compensates for 3RS construction costs, it is transferred from the unused ACF account and deducted from the carrying amount of the 3RS assets at that point in time. Consequently, ACF is effectively recognised in profit or loss over the useful life of the 3RS assets by way of reduced depreciation expense.

When the aggregate amount of accumulated depreciation expense of 3RS assets and the cumulative Bridging Loan interest expenses exceeds the cumulative receipts of ACF, a receivable is recognised. Such receivable is expected to be recovered from ACF receipts in future periods.

28. Material Accounting Policies (continued)

(n) Interest-bearing borrowings and borrowing costs

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, the unhedged portion of interest-bearing borrowings is stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest rate method. Subsequent to initial recognition, the carrying amount of the portion of interest-bearing borrowings, which is the subject of a fair value hedge, is remeasured and the change in fair value attributable to the risk being hedged is recognised in profit or loss to offset the effect of the gain or loss on the related hedging instrument.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or complete.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, performance annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The Authority and its subsidiaries in Hong Kong are required to make contributions to Mandatory Provident Funds under the MPF Ordinance. Such contributions are expensed as the related service is provided.

The employees of the subsidiary in the Chinese Mainland participate in a defined contribution retirement plan managed by the local governmental authorities whereby the subsidiary is required to contribute to the plan at fixed rates of the employees' salary costs.

28. Material Accounting Policies (continued)

(q) Employee benefits (continued)

(ii) Defined benefit plan obligations

The group has the following categories of defined benefit plans:

- the Hong Kong plan;
- the HKZAM plan; and
- LSP under the Hong Kong Employment Ordinance.

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For the Hong Kong and the HKZAM plans, the net obligation is after deducting the fair value of any plan assets, if any. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the group's MPF contributions that have vested with employees, to the extent permitted under relevant legislation. The deduction is limited to the portion of LSP obligations attributable to periods of service before 1 May 2025 in respect of employees who commenced employment before that date.

The calculation of defined benefit obligation is performed by a qualified actuary using the projected unit credit method. For the Hong Kong plan and the HKZAM plan, when the calculation results in a benefit to the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense/(income) on the net defined benefit liability/(asset) are recognised in profit or loss and allocated as part of "staff costs and related expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. For the Hong Kong plan and the HKZAM plan, when the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense/(income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability/(asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the group's obligations. If there is no sufficiently deep market in such bonds, the market yield of government bonds is used.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/(asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability/(asset)).

28. Material Accounting Policies (continued)

(r) Income tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which that asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future or, in the case of deductible differences, unless it is probable that they will reverse in the future.

Deferred tax assets and liabilities are not discounted.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

28. Material Accounting Policies (continued)

(r) Income tax (continued)

(iii) (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Authority or the group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Authority or the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised when the group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts. Revenue is recognised in profit or loss as follows:

(i) Airport charges, representing landing charges, parking charges and terminal building charges, are recognised when the airport facilities are utilised.

(ii) Security charges in respect of aviation security services to passengers are recognised when the airport facilities are utilised.

(iii) Aviation security services revenue from the provision of security services to airlines, franchisees and licensees is recognised when the services are rendered.

28. Material Accounting Policies (continued)

(t) Revenue recognition (continued)

(iv) Franchise revenue from awarded airside support services, retail revenue from awarded retail licences, advertising revenue from awarded advertising licences, other terminal commercial revenue from leasing of check-in counters and airline lounges and office rental and other service revenue and recoveries, are recognised on an accruals basis in accordance with the related agreements.

(v) Real estate revenue arising from sub-leases of interest in leasehold land and office buildings is recognised in profit or loss on a straight-line basis over the periods of the operating leases, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned. Amounts received in advance in respect of sub-leases of interest in leasehold land granted are accounted for as deferred income and are recognised in profit or loss on a straight-line basis over the periods of the respective sub-leases.

(vi) Income arising from finance leases of interest in leasehold land is recognised at the inception of such leases, when substantially all the risks and rewards incidental to ownership are transferred to the lessees.

(vii) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(viii) Interest income is recognised as it accrues using the effective interest rate method.

(ix) Subsidy from the Government is recognised in profit or loss on a systematic basis over the periods in which the Authority recognises the relevant relief measures as expenses.

(x) Revenue from convention and exhibition mainly comprises event services income and licence income from operating leases which are recognised when services are rendered and in equal instalments over the periods covered by the licence term, respectively.

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities and non-monetary assets and liabilities that are stated at fair value and are denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the group initially recognises such non-monetary assets or liabilities.

The results of entities outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Consolidated statement of financial position items, including goodwill arising on consolidation of entities outside Hong Kong, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an entity outside Hong Kong, the cumulative amount of the exchange differences relating to that entity is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

28. Material Accounting Policies (continued)

(v) Related parties

(i) A person, or a close member of that person's family, is related to the group if that person:

a) has control or joint control over the group;

b) has significant influence over the group; or

c) is a member of the key management personnel of the group or the group's parent.

(ii) An entity is related to the group if any of the following conditions applies:

a) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

c) Both entities are joint ventures of the same third party.

d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

e) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

f) The entity is controlled or jointly controlled by a person identified in note (v)(i).

g) A person identified in note (v)(i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

h) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

29. Possible Impact of Amendments, New Standards and Interpretations Issued But Not Yet Effective for The Year Ended 31 March 2026

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2026 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7, *"Amendments to the classification and measurement of financial instruments"*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *"Presentation and disclosure in financial statements"*	1 January 2027
HKFRS 19, *"Subsidiaries without public accountability: Disclosures"*	1 January 2027

The group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it is concluded that the adoption of them is unlikely to have a significant impact on the group's consolidated financial statements, except for the following:

HKFRS 18, *"Presentation and disclosure in financial statements"*

HKFRS 18 will replace HKAS 1, *"Presentation of Financial Statements"* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

30. Non-adjusting Events after the Reporting Period

(a) After the end of the reporting period, the Board declared a final dividend for the year ended 31 March 2026, the details of which are disclosed in note 20(b).

(b) In May 2026, the Authority issued a total of $19 billion multi-tranche senior notes under the US$20 billion Medium Term Note programme. These notes are listed on the Hong Kong Stock Exchange with maturities of 3 to 10 years at annual coupon rates ranging 2.90% to 3.38%. The senior notes are unsecured and repayable in full upon maturity.

FIVE-YEAR FINANCIAL AND OPERATIONAL SUMMARY

(in HK$ million)	21/22	22/23	23/24	24/25	**25/26**
Consolidated statement of profit or loss					
Revenue	5,798	8,217	13,683	16,404	**18,263**
Operating expenses before depreciation and amortisation	(6,176)	(7,404)	(8,279)	(9,039)	**(10,895)**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(378)	813	5,404	7,365	**7,368**
Depreciation and amortisation	(3,039)	(3,308)	(3,817)	(4,020)	**(4,198)**
Net interest and finance (costs)/income	77	508	1,098	189	**(351)**
Share of results of an associate	78	–	–	–	**–**
Share of results of joint ventures	(46)	(456)	(507)	(191)	**(66)**
Profit/(loss) before taxation	(3,308)	(2,443)	2,178	3,343	**2,753**
Income tax (expense)/credit	553	513	(259)	(590)	**(403)**
Profit/(loss) for the year	(2,755)	(1,930)	1,919	2,753	**2,350**
Attributable to:					
Holder of ordinary shares	(3,014)	(2,142)	1,613	2,457	**2,043**
Holders of perpetual capital securities	263	264	264	263	**264**
Non-controlling interests	(4)	(52)	42	33	**43**
Consolidated statement of financial position					
Non-current assets	143,879	170,483	196,013	222,305	**234,937**
Current assets	41,340	47,130	35,627	58,534	**25,701**
Current liabilities	(12,797)	(17,632)	(31,474)	(44,351)	**(30,342)**
Net current (liabilities)/assets	28,543	29,498	4,153	14,183	**(4,641)**
Total assets less current liabilities	172,422	199,981	200,166	236,488	**230,296**
Non-current liabilities	(79,713)	(110,321)	(112,314)	(144,398)	**(138,682)**
Net assets	92,709	89,660	87,852	92,090	**91,614**
Share capital	30,648	30,648	30,648	30,648	**30,648**
Reserves	50,050	47,078	45,241	48,960	**48,396**
Perpetual capital securities	11,585	11,585	11,585	11,585	**11,585**
Non-controlling interests	426	349	378	897	**985**
Total equity	92,709	89,660	87,852	92,090	**91,614**
Key financial and operational statistics					
Dividend declared *(HK$ million)*	–	–	–	1,300	**500**
EBITDA Margin	-6.5%	9.9%	39.5%	44.9%	**40.3%**
Total debt/capital ratio[1]	44%	53%	56%	64%	**61%**
Passenger traffic[2, 3] *(millions of passengers)*	1.4	12.4	45.2	54.9	**63.0**
Cargo and airmail throughput[2,4] *(millions of tonnes)*	4.9	4.1	4.5	5.0	**5.1**
Aircraft movements[2] *(thousands)*	145	161	310	373	**399**

1 Total debt represents interest-bearing borrowings. Total capital represents total debt plus total equity.

2 Operational statistics is based on Airport Authority Hong Kong's data for Hong Kong International Airport only.

3 Passenger traffic includes originating, terminating, transfer and transit passengers. Transfer and transit passengers are counted twice.

4 Cargo throughput includes originating, terminating and transhipment cargo. Transhipment cargo is counted twice. Airmail throughput includes airmail from Hongkong Post and transit mail from airlines.

AIRLINES OPERATING AT HKIA AS AT MARCH 2026

Aeroflot
AeroLogic*
AEROTRANSCARGO*
Air Atlanta Europe*
Air Atlanta Icelandic*
Air Belgium*
Air Busan
Air Cambodia
Air Canada
Air China
Air France
Air Hong Kong*
Air India
Air New Zealand
Air Niugini
Air Premia
AirAsia
AIRZETA*
All Nippon Airways
Asia Pacific Airlines*
Asiana Airlines
ASL Airlines Belgium*
Astral Aviation*
Atlas Air*
Bangkok Airways
British Airways
Cambodia Airways
Cargolux Airlines International S.A.*
Cargolux Italia S.p.A.*
Cathay Pacific
Cebu Pacific
Challenge Air Cargo*
Challenge Airlines BE*
China Airlines
China Cargo Airlines*
China Eastern Airlines
China Southern Airlines
Chongqing Airlines
CMA CGM AIR CARGO*
DHL Air*
DHL Aviation*
Easter Jet
Egyptair*
Elitavia Malta*
Emirates
Ethiopian Airlines
Etihad Airways
Euroavia Airlines*
European Air Transport Leipzig*
EVA Airways
FedEx Express*
Fiji Airways
Finnair
Fly Khiva*
Garuda Indonesia
Greater Bay Airlines
Hainan Airlines
Hebei Airlines
HK Express
Hong Kong Air Cargo*
Hong Kong Airlines
Hungary Airlines*
IndiGo
Indonesia AirAsia
Japan Airlines
Jeju Air
Jestar Japan
Jin Air
Juneyao Airlines
Kalitta Air*
Kargo Xpress*
KLM Royal Dutch Airlines
K-Mile Air*
Korean Air
Loongair
Lufthansa
Lufthansa Cargo*
Malaysia Airlines
Malindo Airways
Mandarin Airlines
Martinair*
MIAT Mongolian Airlines
MNG Airlines*
MSC Air Cargo*
My Freighter*
My Indo Airlines*
National Air Cargo*
Nepal Airlines
Nippon Cargo Airlines*
ONE AIR*
Peach Aviation
Philippine Airlines
Philippines AirAsia
Polar Air Cargo*
Qantas Airways
Qatar Airways
Qingdao Airlines
Raya Airways*
ROM Cargo Airlines*
Royal Brunei Airlines
Saudi Arabian Airlines*
Scoot
SF Airlines*
Shandong Airlines
Shanghai Airlines
Shenzhen Airlines
Sichuan Airlines
Silk Way West Airlines*
Singapore Airlines
Skyway Airlines*
SolitAir*
SpaceBee Airlines*
Spring Airlines
STARLUX Airlines
Swiss International Air Lines
Tasman Cargo Airlines*
Terra Avia*
Thai AirAsia
Thai Airways
Thai Lion Air
Tri-M.G. Airlines*
Turkish Airlines
T'way Air
United Airlines
United Parcel Service*
Urumqi Air
Uzbekistan Airways*
Vietjet Air
Vietnam Airlines
West Air
Western Global Airlines*
World Cargo Airline*
Xiamen Airlines
Xizang Airlines

DESTINATIONS SERVED FROM HKIA AS AT MARCH 2026

North Asia
Beijing/Capital
Beijing/Daxing
Busan
Changchun
Changsha
Changzhou
Chengdu/Shuangliu*
Chengdu/Tianfu
Cheongju
Chongqing
Daegu
Dali City
Dalian
Datong
Dunhuang
Enshi
Ezhou*
Fukuoka
Fuzhou
Guangzhou
Guilin
Guiyang
Haikou
Hangzhou
Harbin
Hefei
Hiroshima
Hohhot
Hualien
Huangshan
Hulunbuir
Ishigaki
Jeju
Jinan
Jinjiang
Kagoshima
Kaohsiung
Komatsu
Kumamoto
Kunming
Lanzhou
Lhasa
Lijiang
Linyi
Nagoya
Nanjing
Nantong
Ningbo
Okinawa
Ordos
Osaka/Kansai
Qingdao
Sanya
Sapporo
Sendai
Seoul/Incheon
Shanghai/Hongqiao
Shanghai/Pudong
Shenyang
Shijiazhuang
Shimojishima
Shiyan
Shizuoka
Taichung
Taipei
Taiyuan
Takamatsu
Tianjin
Tokushima
Tokyo/Haneda
Tokyo/Narita
Ulaanbaatar
Urumqi
Wenzhou
Wuhan
Wuxi
Xiamen
Xian
Xining
Xuzhou
Yantai
Yichang
Yinchuan
Yiwu
Yonago
Yuncheng
Zhangjiajie
Zhengzhou
Zhoushan

East Asia/ Southeast Asia
B S Begawan
Bangkok/ Don Mueang
Bangkok/ Suvarnabhumi
Cebu
Chiang Mai
Da Nang
Davao
Denpasar
Hanoi
Ho Chi Minh
Iloilo
Jakarta
Koh Samui
Kota Kinabalu
Krong Ta Khmau
Kuala Lumpur
Kuala Lumpur/Subang
Kuching*
Labuan*
Manila
Medan/Kuala Namu*
Nha Trang
Pakse
Pampanga
Penang
Phnom Penh
Phu Quoc
Phuket
Sandakan*
Singapore
Surabaya
Tawau
Ujung Pandang*
Vientiane

Middle East/ Central Asia/ South Asia
Abu Dhabi
Almaty*
Amman*
Bahrain*
Baku*
Bangalore
Chennai
Colombo
Dammam*
Delhi
Dhaka
Doha
Dubai
Dubai/Al Maktoum*
Hyderabad
Jeddah*
Karaganda*
Kathmandu
Koror
Kuwait*
Lahore*
Male
Manado*
Mumbai
Muscat*
Riyadh
Sharjah*
Tashkent*
Tel Aviv*

Europe
Amsterdam
Athens*
Barcelona
Birmingham*
Brussels
Bucharest*
Budapest*
Cologne*
Frankfurt
Helsinki
Istanbul
Leipzig*
Liege*
London/Heathrow
London/Stansted*
Luxembourg*
Maastricht/Aachen*
Madrid/Barajas
Manchester
Milan/Malpensa
Moscow
Munich
Nis*
Nottingham*
Oslo*
Paris/ Charles De Gaulle
Paris/Vatry*
Prague*
Riga*
Rome
Zurich

Australasia/ Pacific Islands
Adelaide
Auckland
Brisbane
Cairns
Christchurch
Guam*
Melbourne
Nadi
Perth
Port Moresby
Sydney
Toowoomba/ Wellcamp*

Africa
Addis Ababa
Cairo*
Johannesburg
Mauritius*

North America
Anchorage*
Atlanta*
Boston
Chicago/O'Hare
Cincinnati*
Dallas
Honolulu
Houston*
Huntsville*
Los Angeles
Louisville*
Memphis*
Miami*
New York/ John Kennedy
Oakland*
Ontario*
Philadelphia*
Portland*
Saipan
San Francisco
Toronto
Vancouver

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