

Stepping into a NEW ERA



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

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HKIA Facts



1,905 hectares

Airport Site Area



Approximately

771,650
square metres

Terminal Building Area



Around

140 Airlines



More than

200 Destinations

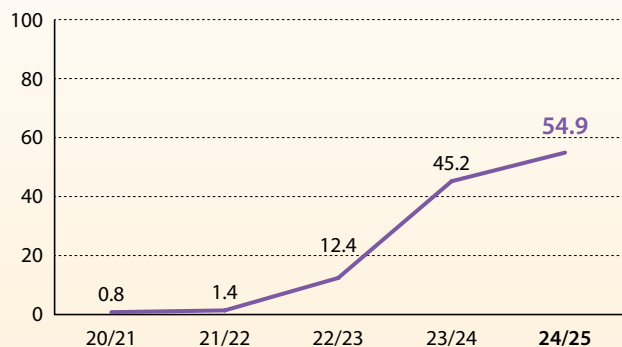


3 Runways

Performance Highlights

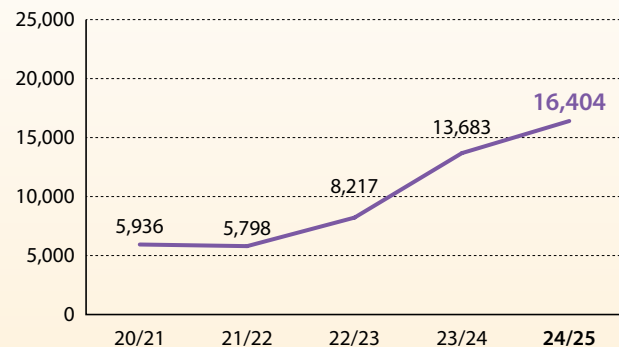
Passenger Traffic

(millions of passengers)



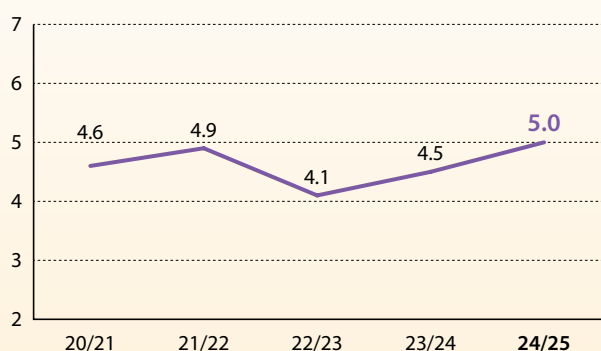
Revenue

(in HK\$ million)



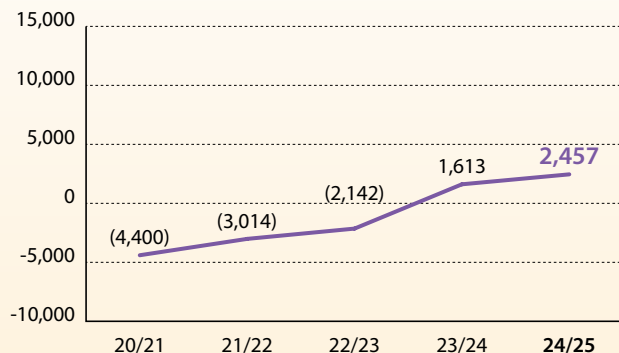
Cargo and Airmail Throughput

(millions of tonnes)



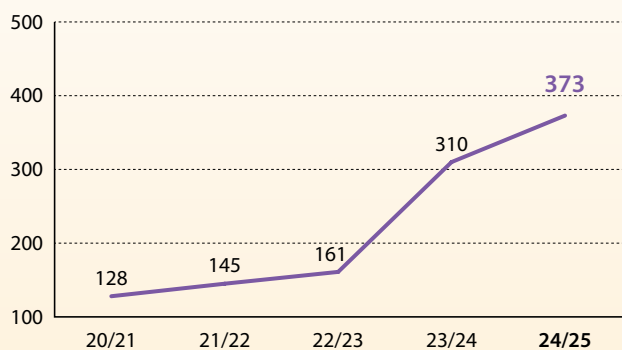
Profit/(Loss) Attributable to the Ordinary Shareholder

(in HK\$ million)



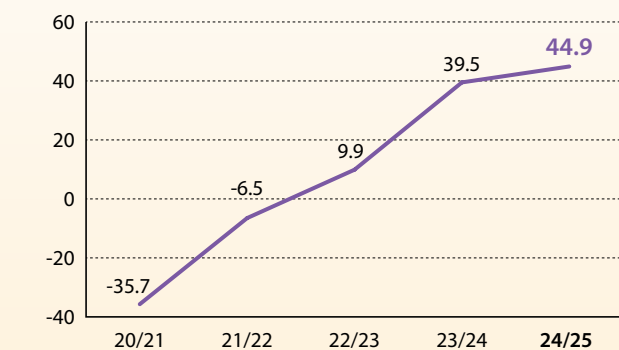
Aircraft Movements

(thousands)



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

(in percent)



Chairman's Statement



Our vision for HKIA is that we should be more than just a place where people get on or off a plane or transport cargo. If the right tools and infrastructure are in place, we believe the airport can be a powerful engine to drive a city's growth.

Dear Stakeholders,

The past year was pivotal for Hong Kong International Airport (HKIA) as we crossed key milestones and laid solid groundwork for realising our strategic vision of transformation from a city airport into an Airport City. I am glad that our achievements in the past year and vision for the future enjoyed increasing support from different sectors of the community.

Commissioning the Three-runway System

On 28 November 2024, we commissioned the Three-runway System (3RS), with all three runways operating simultaneously. Despite Covid-19 and challenges such as shortages of labour and materials, the team at Airport Authority Hong Kong (AAHK) completed the project on time and within budget. This exemplifies our colleagues' professionalism and demonstrates Hong Kong's can-do spirit.

The 3RS is the most significant development at HKIA since its relocation to Chek Lap Kok in 1998. It strengthens our status as one of the world's largest and most important aviation hubs. With the expanded capacity, we will continue to support the city in its continuous development as a leading business and trading hub and help it meet the next wave of competition, by adding value for global businesses and attracting more companies to invest and operate in Hong Kong.

A Strategic Initiative to Cover the Whole Mainland Market

In addition to commissioning the 3RS, another game-changing development this year has been the successful conclusion of an agreement to acquire 35% of Zhuhai Airport's shares. This acquisition serves as a launchpad for the two airports to elevate their partnership, positioning us to unlock the full potential of the Hong Kong-Zhuhai-Macao Bridge to serve travellers and businesses.

Our shared strategic objective is to work together to enhance connectivity across the Mainland, including cities with only domestic airports. This will be a major breakthrough. Through this collaboration, global businesses will be able to further penetrate the China market efficiently, while travellers will enjoy the convenience of reaching different parts of the Mainland.

Sustaining Cargo Leadership

In 2024, HKIA was named the world's busiest cargo airport for the 14th time since 2010. Our cargo operation is a key component in the global supply chain, providing important services for businesses and embodying the strategic value of supporting Hong Kong as a trading hub. As e-commerce continues to reshape global trade, we relentlessly develop our capabilities in e-commerce. After years of planning and attracting investment, we now have a strong line-up of e-commerce players at HKIA.

As the major international air cargo gateway of the Greater Bay Area (GBA), it is of the utmost strategic importance that we further strengthen this role. HKIA handles some 75% of the GBA's international air cargo traffic. Our groundbreaking sea-air intermodal transshipment service between our logistics park in Dongguan and HKIA helps our business partners enhance operational efficiency and reduce costs, while sharpening our overall competitiveness. The value of cargo shipped using this service grew to around RMB18 billion in 2024/25, indicating that members of the air cargo community have been actively making use of the service. The development of a permanent facility for the Dongguan logistics park is proceeding as planned.



Building SKYTOPIA

Our vision for HKIA is that we should be more than just a place where people get on or off a plane or transport cargo. If the right tools and infrastructure are in place, we believe the airport can be a powerful engine to drive a city's growth, especially for an open economy like Hong Kong. This is the thinking behind our Airport City strategy, the blueprint for which was first unveiled in 2019 and recently expanded with a new brand, SKYTOPIA.

SKYTOPIA will leverage HKIA's land and marine resources to create a world-class destination that integrates entertainment, popular culture, yachting, art trading and storage, and leisure, among others. With the aim of developing into a destination in its own right and a new landmark in Asia, SKYTOPIA will be an engine that propels the economic growth and development of Hong Kong. Our model is to collaborate with global investors to develop SKYTOPIA, while AAHK will provide the infrastructure. I am delighted that our first phase of global investment promotions has received positive market response.

A Century of Progress

2025 marks the centenary of the first officially recorded flight at Kai Tak Airport. From its beginnings as a makeshift airfield, to an international aviation hub in a densely populated urban area near Kowloon City, to a fast-emerging Airport City at Chek Lap Kok, our airport has seen remarkable growth and transformation.

As we embark on a new chapter, my fellow Board Members, AAHK colleagues, and the entire airport community are committed to ensuring HKIA continues to be a key driver of Hong Kong's economic growth and development.



Fred Lam Tin-fuk

Chairman

Hong Kong, 26 May 2025

Chief Executive Officer's Statement



(From left)

Mr Julian Lee Pui-hang, Executive Director, Finance

Ms Cissy Chan Ching-sze, Executive Director, Commercial

Mr Tommy Leung King-yin, Executive Director, Third Runway

Mrs Vivian Cheung Kar-fay, Chief Executive Officer

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

Mr Ricky Leung Wing-kee, Executive Director, Engineering & Technology

I firmly believe that challenges always make us stronger, and victory is all the sweeter when we win a tough battle. Working together, I am confident we can achieve greater success for HKIA and Hong Kong.

Dear Stakeholders,

Hong Kong International Airport (HKIA) achieved solid growth in 2024/25, ended 31 March 2025. All three traffic categories recorded significant increases: passenger numbers grew 21.6%, to 54.9 million, cargo throughput climbed 10.3%, to 5.0 million tonnes, and flight movements rose 20.5%, to reach 373,050. Despite this progress, considerable work is required to fully restore passenger volumes to pre-pandemic levels, given the uncertainties in the global economic environment.

Building Momentum

In November 2024, we commissioned the Three-runway System (3RS), which boosts our annual capacity by 50%. The expansion presents both short- and long-term growth opportunities and secures our position as Asia's leading aviation hub. With all three runways operating simultaneously, we can accommodate more flight movements in the busy morning hours, particularly to meet strong demand during peak seasons. For instance, during the Chinese New Year holidays, Japan — one of our most popular destinations — was served by 75 return flights in a single day.

To accelerate traffic growth, in June 2024 we launched the Air Network Development Programme. This initiative offers incentives to airlines opening new routes or increasing flight frequencies to HKIA. By 31 March 2025, 27 airlines had started or expanded services to 56 destinations. We also supported the HKSAR Government's efforts to forge new air services agreements.

During the year, we continued to bring global aviation events to Hong Kong as part of our efforts to attract more airlines to the city. In November 2024, we hosted the CAPA Airline Leader Summit and the inaugural Super Terminal Expo, drawing over 2,000 delegates. The expo will return in 2025 alongside Routes World, another key event for aviation decision-makers.

Chief Executive Officer's Statement

Delighting Travellers

We are further extending the use of innovative technology to improve the passenger experience and enhance efficiency. Our award-winning Flight Token system, which employs facial recognition technology to identify travellers throughout the departure process, is now utilised by 75% of passengers departing from HKIA. Following a successful trial this year, Hong Kong residents with Mainland Travel Permits will soon be able to use Flight Token at Shanghai Hongqiao International Airport.

In July 2024, we introduced the world's first Smartphone Express Bag Drop Service, which allows passengers to check in and validate travel documents with their smartphone. On arrival at HKIA, travellers can go directly to a self bag drop counter, bypassing traditional manual counters or check-in kiosks.

We also launched a smart security screening system, which lets passengers keep electronic devices, liquids, aerosols and gels in their carry-on luggage during screening. The new system enhances security and increases efficiency by 20%.

We are planning more technological advancements, including the development of Hong Kong's first autonomous mass transportation system. This cutting-edge system will connect the airport island to the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge.

Beyond technology, we implement a variety of initiatives to foster customer satisfaction. During the year, we continued to diversify our retail, and food and beverage offerings with new brands and product categories. For instance, we increased the number of outlets serving halal meals, and made shopping more appealing with the launch of HKIA Dollar and the HKIA Gift Card.

We also started a year-round programme to entertain passengers with performances and special events. Seasonal celebrations, such as the HKIA Arts and Culture Festival, which showcased creative artworks by local artists, and the *Twilight of the Warriors: Walled In* exhibition — inspired by a local blockbuster film — were popular among both locals and visitors.

To further engage with travellers and promote our latest offerings, we actively use Xiaohongshu, TikTok, Instagram and other social media platforms. In January 2025, in collaboration with Youku, a leading Mainland streaming platform, we launched a six-part documentary and a 12-episode drama series entitled *Transit of Life*. The films, which attracted more than 300 million views and won prestigious awards in both Mainland and overseas markets, explore HKIA's role as a global aviation hub and highlight our commitment to creating opportunities for people from different backgrounds.

Consolidating Our Cargo Leadership

HKIA is one of the few airports with large volumes of both passengers and cargo. Our airfreight operations play a vital role supporting the economies of Hong Kong and the Greater Bay Area (GBA). This year, HKIA was recognised as the world's busiest cargo airport for the 14th time since 2010.

To ensure our continued success, we focus relentlessly on operational efficiency, and on assisting our business partners in strengthening their competitiveness through innovative business models. A prime example is the wide use of autonomous vehicles in HKIA's live operations, including cargo handling. Ground handling agents can now use autonomous electric tractors (AETs) for cargo delivery between the apron and cargo terminals. We have also shared our AET expertise with airlines to help them adopt this technology in their own cargo facilities.

Another initiative is our HKIA Dongguan Logistics Park, which offers a novel sea-air intermodal transshipment service for airfreight between Hong Kong and the GBA. This service reduces overall costs by half and cuts operational time by one-third, solidifying our status as the leading international air cargo hub for the GBA. A related pilot scheme has generated keen interest from business partners. In 2024/25, around 20 airlines and over 120 Hong Kong freight forwarders joined the scheme.

Nurturing Our Community

We have always strived to build a strong airport community and attract talent to our industry. Hong Kong International Aviation Academy was established by Airport Authority Hong Kong to strengthen our city's position as a civil aviation training hub. This year, all members of the first cohort of the academy's cadet pilot programme received conditional job offers from the academy's partner airlines. In April 2024, the academy signed a collaborative agreement with Hong Kong Metropolitan University to include cadet pilot training in the Bachelor of Business Administration with Honours in Aviation Services Management programme, with the pilot training launched in May 2025.

To address growing demand for talent, we organised many job fairs, and launched a new portal — HKIA Career Page — in cooperation with a leading online agency. The artificial intelligence-equipped portal provides tailored content to help jobseekers identify career opportunities at the airport.

As part of our commitment to sustainability, we supported the HKSAR Government in the statutory designation process for the about 2,400-hectare North Lantau Marine Park (NLMP). The largest park of its kind in Hong Kong, the NLMP is linked to two other marine parks and provides a favourable habitat for Chinese White Dolphins. To further support biodiversity, we are installing additional artificial reefs near HKIA. These efforts earned a platinum award at the Green Airports Recognition 2024 from Airports Council International.

Meanwhile, with the support of the HKIA Greenovation Fund, this year we launched Asia's first airport-based renewable diesel pilot project with our business partners.

A New Era of Opportunities

Fiscal 2024/25 marks the beginning of a new era brimming with opportunities, amid the many challenges arising from economic uncertainties. But I firmly believe that challenges always make us stronger, and victory is all the sweeter when we win a tough battle. I would like to thank our staff and business partners for their invaluable contributions. Working together, I am confident we can achieve greater success for HKIA and Hong Kong.



Vivian Cheung Kar-fay

Chief Executive Officer

Hong Kong, 26 May 2025

The Board



Mr Fred Lam Tin-fuk *GBS JP* Chairman

Aged 66. Appointed Chairman of the Board in June 2024. Member of the World Governing Board of Airports Council International (ACI) and Second Vice President of the ACI Asia-Pacific & Middle East Regional Board. Member of the HKSAR Government's Lantau Development Advisory Committee. Member of The University of Hong Kong Council. Member of the Hong Kong–United States Business Council. 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.

Mrs Vivian Cheung Kar-fay Chief Executive Officer*

Aged 64. 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 75. 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 the Serco Group (HK) 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 59. 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 51. 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. Former Member of the Hong Kong Maritime and Port Board under the Transport and Housing Bureau of the HKSAR Government. 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. Member of the Council and ex-officio member of the Court of Lingnan University. Member of the HKSAR Government's Council for Carbon Neutrality and Sustainable Development.

Mr Philip Chen Nan-lok *GBS JP*

Aged 69. Appointed to the Board in June 2022. 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, Director of both the China Overseas Friendship Association and the Shanghai Chinese Overseas Friendship Association. 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 58. Appointed to the Board in June 2020 and reappointed in June 2023. Member of the Legislative Council representing the Election Committee Constituency. Mr 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 and an Independent Non-executive Director of Chu Kong Shipping Enterprises (Group), a Deputy to the 14th National People's Congress of the People's Republic of China and a Member of the 12th and 13th National Committees of the Chinese People's Political Consultative Conference. Mr 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 55. 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. 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, Chow Mun Sum Tong Foundation and The Legal Education Fund.



The Board



The Honourable Christopher Hui Ching-yu GBS JP

Secretary for Financial Services and the Treasury*

Aged 48. 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. 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 and the Ex-Officio Member of the Board of Financial Services Development Council. Member of the Board of Hongkong International Theme Parks Limited and Official Member of the Board of Directors of Hong Kong Investment Corporation Limited.

Mrs Ann Kung Yeung Yun-chi BBS JP

Aged 62. 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 Hong Kong Palace Museum Board 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. Mrs Kung graduated from the University of Southern California with a Bachelor of Science in Business Administration (Accounting).



Mr Laurence Li Lu-jen SC JP

Aged 54. Appointed to the Board in June 2022. 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 58. 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 the Honourable Lo Wai-kwok GBS MH JP

Aged 72. Appointed to the Board in June 2019 and reappointed in June 2022. Chairman of the Aviation Security Company Limited Board. Member of the Legislative Council representing the Engineering Functional Constituency. Chairman of the Legislative Council's Panel on Development and the Business and Professionals Alliance for Hong Kong. Founding Chairman of the Hong Kong Green Strategy Alliance. Member of the 13th National Committee of the Chinese People's Political Consultative Conference.



Ir Edwin Tong Ka-hung SBS

Aged 66. 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 JP

Aged 53. 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 51. Appointed to the Board in June 2024. Chairman of China Travel Service (Hong Kong) Limited. Member of the Legislative Council representing the Tourism Functional Constituency. Mr Yiu is devoted to serving the travel industry. He is a Member of the Tourism Strategy Committee, Member of the Harbourfront Commission and Non-official Member of the Committee on Taxi Service Quality. He is Vice Chairman of the Travel Industry Training Advisory Committee, Trade Member of the Travel Industry Authority and Observer at Board Meetings of Travel Industry Council of Hong Kong. He is actively involved in youth development and community service, currently serving as a Council Member of The Hong Kong Polytechnic University and Honorary Secretary of the Hong Kong Army Cadets Association.

Mr Stephen Yiu Kin-wah JP

Aged 64. 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 59. 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 Julian Lee Pui-hang

Executive Director, Finance

Aged 49. 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. and a Director of the Hong Kong-Zhuhai Airport Management Company Limited. Mr Lee is also a Member 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 Ricky Leung Wing-kee

Executive Director, Engineering & Technology

Aged 64. Holds a Master of Business Administration from The Chinese University of Hong Kong and a Bachelor of Science (Engineering) from The University of Hong Kong. Mr Leung was appointed Executive Director, Engineering & Technology, in January 2020. With more than 30 years of experience at AAHK, Mr Leung is responsible for AAHK's engineering and technology development, managing AAHK's assets and delivering engineering projects at Hong Kong International Airport (HKIA). Before joining AAHK, Mr Leung worked in consulting engineering firms and government departments on the planning, design and management of large-scale infrastructure projects in Hong Kong. Mr Leung is a Chartered Civil and Structural Engineer with more than 40 years of experience, of which over 30 years are in the planning, design, construction, operation and maintenance of airport infrastructure, facilities and systems. Mr Leung is a Council Member of the Vocational Training Council, and a Member of the Construction Industry Council.

Mr Tommy Leung King-yin

Executive Director, Third Runway

Aged 61. 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. 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 60. 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

2024



APR

Hong Kong International Aviation Academy (HKIAA) and Hong Kong Metropolitan University announce Hong Kong's first bachelor's degree programme to include commercial pilot training.

For the 13th time, Hong Kong International Airport (HKIA) is recognised as the world's busiest cargo airport by Airports Council International (ACI).

In partnership with Hong Kong Air Cargo Terminals Limited and Shell Hong Kong Limited, Airport Authority Hong Kong (AAHK) launches a pilot project to use renewable diesel in the ground services equipment at HKIA.



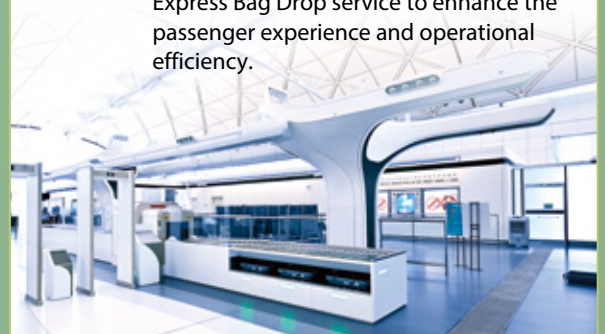
MAY

HKIA wins a platinum award in the Over 35 Million Passengers per Annum category at the Green Airports Recognition 2024 organised by ACI Asia-Pacific & Middle East.

AAHK successfully prices RMB1.5 billion in senior notes, the first 10-year offshore renminbi bond in the public bond market from a Hong Kong corporate issuer.

JUL

AAHK launches a smart security screening system and the Smartphone Express Bag Drop service to enhance the passenger experience and operational efficiency.



JUN

Mainland China's home-grown aircraft, the C919, makes its inaugural commercial flight to Hong Kong.



AAHK awards a tender for the development of Hong Kong's first autonomous mass transportation system, which will operate on the Airportcity Link.

AUG

To expand HKIA's regional connectivity, AAHK signs memorandums of understanding with Airports Corporation of Vietnam, Vietnam Airlines, Sovico Group (co-founder of Vietjet Air) and Société Concessionnaire de l'Aéroport, which operates international airports in Cambodia.

SEP

HKIA wins "Best Airport" in the Travel Hall of Fame at the TTG Travel Awards.



2025

OCT

HKIA wins “Cargo Hub of the Year” at the Air Cargo News Awards 2024, “Cargo Airport of the Year – Asia Pacific” at the 11th Payload Asia Awards and the “2024 Smart Cities Award (Public Sector)” at the World Innovation, Technology and Services Alliance’s Global Innovation and Tech Excellence Awards.

NOV

Held on the Centre Runway, the “Hong Kong International Airport • Standard Chartered Hong Kong Marathon: Three-Runway System 10km International Race” welcomes nearly 11,000 local and overseas participants.



AAHK supports the establishment of the about 2,400-hectare North Lantau Marine Park, the largest such park in Hong Kong, as part of the Three-runway System (3RS) project.

Super Terminal Expo makes its Asian debut, with HKIA as the host airport.

AAHK signs an agreement to acquire 35% of the shares of Zhuhai Airport from Zhuhai Transportation Holdings Group.



The 3RS is commissioned with all three runways operating simultaneously.

DEC

AAHK launches the HKIA Cargo Intelligent Portal, which enhances the competitiveness of Hong Kong’s air cargo community by linking key stakeholders, including forwarders, truckers, airlines, cargo terminal operators and regulators.

JAN

AAHK announces an expanded Airport City blueprint under the new SKYTOPIA brand.

SKYTOPIA

IS ALL HERE



FEB

AAHK showcases 100 years of Hong Kong airport development with a series of events, including the HKIA Community Cycling and Running Competition 2025.




MAR

HKIAA partners with 15 Mainland-based educational institutions to launch the Civil Aviation Talent Cultivation Alliance.

Passenger Services





As traffic at Hong Kong International Airport (HKIA) continues to rebound, we are enhancing the passenger experience with new services, improved facilities and innovative technologies.

A New Look

A fresh new look greets travellers arriving at the Terminal 1 (T1) Departures Kerb, which received a functional and aesthetic update in 2024/25.

Once inside, passengers enjoyed a range of exciting events, including HKIA Arts and Culture Festival 2024, which featured four exhibitions ranging from traditional Hong Kong crafts to digital art. Throughout the year, departing travellers delighted in dance and musical performances near the boarding areas. And, to mark the centenary of martial arts novelist Jin Yong's birth, we displayed a statue of one of his most famous characters, Guo Jing, by sculptor Ren Zhe.



In T1, new carpets and a revamped Departure Kerb enhance the passenger experience.

As the gateway to Hong Kong, HKIA serves as the perfect venue to highlight the rich and diverse cultural landscape of our vibrant city.



HKIA ARTS & CULTURE FESTIVAL

香港國際機場文化藝術節

05.07 - 31.10.2024





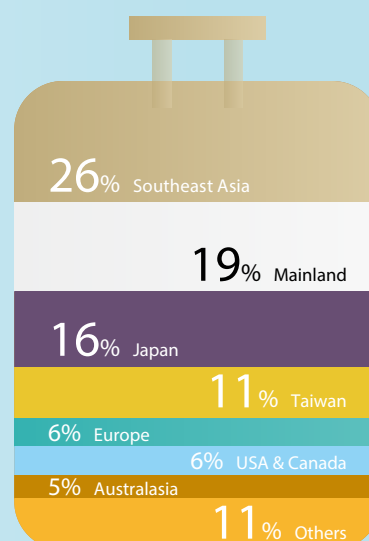
HKIA partners with the HKSAR Government, HKTB and filmmakers to celebrate the global success of a local movie through an exquisite exhibition replicated from the movie.

In conjunction with the Culture, Sports and Tourism Bureau, the Hong Kong Tourism Board (HKTB) and filmmakers, we hosted an immersive exhibition based on the hit film *Twilight of the Warriors: Walled In*, which is set in Kowloon's historic Walled City.

From December to February, the past met the future in *Fly Me There*, a three-dimensional (3D) cinema experience that transported viewers to more than 40 cultural heritage sites in eight Asian countries. The interactive exhibition, which used 12K, ultra-high definition video, was developed by Hong Kong Baptist University.

PASSENGERS BY MARKET

(year ended 31 March 2025)





HKIA is the world's only airport where passengers can complete all departure procedures using smartphones and facial recognition technology.

Technology Smooths the Way

The implementation of Flight Token — a biometric system that enables departing passengers to use their face as identification and navigate effortlessly through the airport — continues to grow. By the end of 2024/25, Flight Token covered three-quarters of departing passengers.

Building on Flight Token's technology, in July 2024 we launched the Smartphone Express Bag Drop, a service that allows passengers use a smartphone to scan their travel documents and check in online. When they arrive at HKIA, travellers can proceed directly to the Express Bag Drop counters, where checking their baggage takes less than a minute. HKIA is the only airport where passengers can use a smartphone and facial recognition technology to complete all departure procedures, from check in to aircraft boarding.

The Smartphone Express Bag Drop service won the "Outstanding Achievement Award" at the Future Travel Experience APAC Airport Pioneer Awards 2024. This year, we were also named "Asia's Leading Airport 2024" and "China's Leading Airport 2024" at the World Travel Awards, and maintained the prestigious "Best Airport" status in the Travel Hall of Fame at the TTG Travel Awards 2024.

AIRPORT SERVICE QUALITY (ASQ) SURVEY OVERALL SATISFACTION SCORE

88.4%
Excellent



11.5% Very Good
0.1% Good*

* There were two cases of Overall Satisfaction scoring 3 (Good) in 2024/25.

Advanced technology is also found in our smart security screening system (SSSS), which was introduced in the North and South Departures Immigration Halls in July 2024. Using 3D and 360-degree computed tomography-based X-ray scanning, the SSSS enables passengers keep electronic devices, liquids, aerosols and gels in their carry-on bags during screening. The new system increases the average throughput by about 20%, while enhancing detection accuracy. In addition to automatic tray sterilisation and recirculation, the SSSS alerts passengers when they leave items in a tray. The SSSS, as well as full-body scanners — which replace manual searches for passengers who trigger the archway metal detectors — will be introduced throughout the airport in phases by 2027.

We use our expertise to enhance traveller convenience beyond HKIA. In October 2024, we partnered with the International Air Transport Association, Cathay Pacific

Airways and Narita International Airport to achieve a proof-of-concept for fully digital travel. Two passengers successfully completed a round-trip journey between the two airports in a live operating environment, using different digital wallets. We also collaborated with Mainland authorities and Shanghai Hongqiao International Airport to enable Hong Kong residents with a Mainland Travel Permit for Hong Kong and Macao Residents to undergo immigration clearance using facial recognition technology.

Next year, we will test Wi-Fi 7 in T1 Midfield Concourse, before introducing it in all terminals. Wi-Fi 7 offers faster speed, lower latency and enhanced security.



The SSSS improves screening performance and makes airport procedures more pleasant for passengers.



In 2024/25, we added new services and functions to HKIA's mobile app. "My HKG" now offers personalised recommendations for shopping and dining at HKIA, and a one-stop service for bus tickets, lounges, baggage pick-up and delivery, valet parking and airport buggies. Our enhancements to "My HKG" won gold in the Best eCommerce Innovation category and silver in the Best Brand – Travel & Hospitality category at the Asia eCommerce Awards 2024; and silver in the Best e-Commerce Strategies category at the DigiZ Awards 2024. We were also recognised with the "2024 Smart Cities Award (Public Sector)" at the World Innovation, Technology and Services Alliance's Global Innovation and Tech Excellence Awards.

In Hong Kong, typhoons disrupt ground, sea and air transportation. This year, we introduced a system that minimises the time passengers spend waiting in taxi queues during bad weather. The system is complemented

by a 500-person temporary indoor shelter, with seating and mobile charging stations, where travellers can wait for their taxis. In addition, a passenger care team provides assistance and, when necessary, food and beverage outlets extend their operating hours.

Several facilities were improved in 2024/25. For passengers with special needs, we opened a new Caring Corner on the Arrivals Level. We also facilitated trials of enhanced autonomous wheelchairs.

We began replacing carpeting in T1 and T1 Satellite Concourse, and a programme to modernise the escalators, travelators and air-conditioning system is ongoing. In March 2025, we began installing additional escalators in the East Hall Arrivals Area, which will improve passenger flow from the Automated People Mover system. Car Park 1 and the taxi pick-up area were expanded to meet rising demand.

A diverse mix of dining and retail options elevates the passenger experience to new heights.

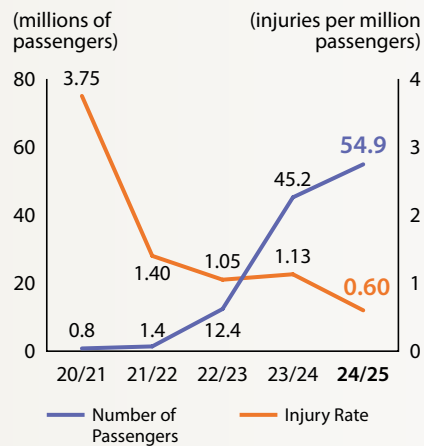


Refining the Retail Experience

In 2024/25, HKIA's retail offerings continued to inspire our diverse passenger mix. New fashion, jewellery and fine-food brands — as well as distinctive pop-up outlets — opened in the luxury zone. Shops selling liquor, tobacco, perfume and cosmetics were renovated and added premium products. Several categories debuted, including art toys, children's books, gaming and entertainment, sustainable groceries, single-brand beauty and gadgets. Dining options were enriched with new brands and categories covering baked goods, ice-cream and gelato, and specialty coffee.

Our loyalty programme, HKairport Rewards, continued to grow, with over 600,000 members at the end of 2024. To boost engagement and encourage patronage, we introduced a premium membership tier to the programme, and launched HKIA Dollar and the HKIA Gift Card. HKairportShop.com added exclusive products and introduced livestreaming to showcase special offers.

PASSENGER TRAFFIC AND INJURY RATE





The expansion of airport lounges offers more customised and premium touches for passengers before boarding.

New Services and Facilities

In July 2024, a new premium commercial lounge opened in T1. Several lounges in T1 and T1 Midfield Concourse are being renovated and enlarged, and will begin welcoming travellers in 2025/26. Plans for a new HKIA VIP Lounge are expected to be completed in the same year.

Our convenient home baggage check-in service was enlarged during the year, with Hong Kong Airlines and Greater Bay Airlines joining the programme in May and July 2024, respectively.

In June 2024, a new off-airport check-in location opened in Tuen Mun's Trend Plaza. Another check-in facility, at Festival Walk in Kowloon Tong, started operating in March 2025.

Training and Preparedness

In October 2024, we held our annual aircraft crash and rescue exercise on the Centre Runway. In March 2025, we conducted an annual typhoon readiness exercise.

To strengthen our understanding of post-pandemic traveller behaviours and needs, and to ensure our training programmes are on target, in July 2024 we completed a comprehensive update of our customer journey map.

In 2024/25, we held about 38 exercises and drills, and some 86 training sessions covering emergency response, public health, security, adverse weather preparedness and transport disruption. These sessions are complemented by regular customer service seminars and workshops for our staff and our business partners' employees. We also delivered training to new employees of airlines, ground handling agents, ramp operators and retailers.

Cross-boundary Services

HKIA's city terminals strengthen the airport's connectivity with the Greater Bay Area (GBA) and make it easy for residents to travel via HKIA. The terminals provide real-time flight information, allow passengers to buy tickets for cross-boundary coaches to HKIA and offer direct transport to both Hong Kong and Macao.

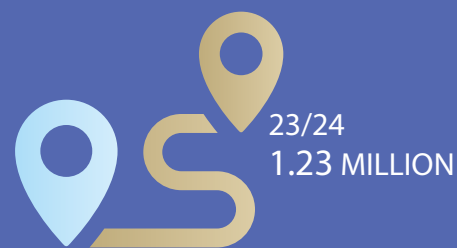
By 31 March 2025, 30 city terminals were in operation. New terminals opened in Foshan in September 2024, Huizhou and Xinhui in October, Shunde and Zhongshan in December, Nanhai and Taishan in January, Zhaoqing in February, and Panyu and Dongguan in March 2025.

In 2024/25, Lufthansa, Swiss International Air Lines and Vietnam Airlines began offering upstream check-in services, while Air New Zealand, All Nippon Airways, Emirates, Garuda Indonesia, Greater Bay Airlines, Singapore Airlines and Thai Airways expanded their coverage. Coach services between cities in the western GBA and Zhuhai Port were strengthened with additional frequencies and destinations.

During the year, we worked with Hong Kong-based carriers Cathay Pacific and Greater Bay Airlines to introduce a codeshare agreement for our bonded coach services. A single ticket now includes your flight and coach between HKIA and the Macao and Zhuhai ports of the Hong Kong-Zhuhai-Macao Bridge. Travellers using the new service can complete upstream check-in and bag drop at the port, with their baggage delivered directly to the final destination.



City terminals facilitate seamless travel for GBA residents through HKIA's robust connectivity.



24/25

1.80 MILLION

**PASSENGERS USED HKIA'S
CROSS-BOUNDARY LAND
AND SEA TRANSPORT**

Service Performance in 2024/25

Baggage Delivery (First Bag) ¹

99.4%

Baggage Delivery (Last Bag) ²

98.6%

Passenger Embarkation &
Disembarkation by Air Bridge

99.9%

Departures Security Screening Under
Normal Circumstances ³

98.4%

Transfer Security Screening Under
Normal Circumstances ³

99.4%

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.

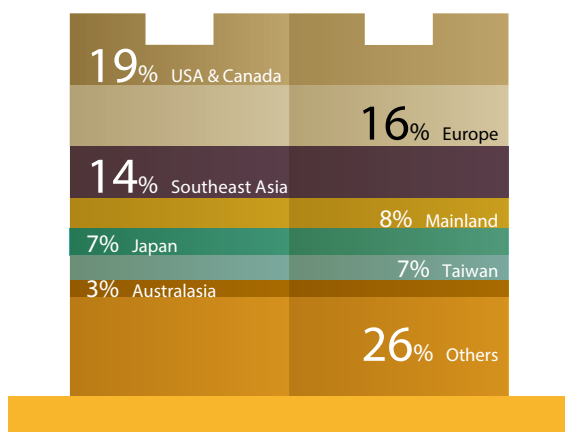
² The target for delivery of the last bag to baggage reclaim is 40 minutes. The target for bags from aircraft at T1M remote parking bays is 45 minutes due to the distance.

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

Cargo and Aviation Services

CARGO THROUGHPUT BY MARKET

(year ended 31 March 2025)



* Airmail is excluded.

The commissioning of the Three-runway System strengthens the position of Hong Kong International Airport (HKIA) as a leading global cargo hub.

The GBA's International Cargo Gateway

Dongguan is one of the most important manufacturing centres in the Greater Bay Area (GBA). With the support of the Dongguan Municipal People's Government, in April 2023 we launched a pilot scheme for sea-air intermodal transshipments between Dongguan and HKIA.



The enhancement of the HKIA Cargo Data Platform further strengthens the competitiveness of the city's air cargo community.



By 31 March 2025, some 20 airlines were accepting cargo and more than 120 Hong Kong freight forwarders were participating in the scheme. This transshipment service reduces the lead time for cargo acceptance at HKIA Dongguan Logistics Park (HKIALP) to as little as 14 hours before flight departure, facilitating time-sensitive shipments. In 2024/25, the service handled cargo with an aggregate value of about RMB18 billion.



A permanent facility for HKIALP is expected to be fully operational in 2027.

HKIALP now operates from a temporary site in Dongguan. During the year, 14 hectares of land and an adjoining barge pier were acquired for a permanent facility. When HKIALP is fully operational in 2027, the automated complex will have an annual capacity of about 1 million tonnes. During the year, construction of an intermodal air cargo handling facility began at HKIA.

In 2024/25, we conducted trials of the Fly-via-Zhuhai cross-border cargo service. Shipments originating in Asia, Europe and North America arrived at HKIA, were trucked over the Hong Kong-Zhuhai-Macao Bridge (HZMB) to Zhuhai Airport, and flown to an e-commerce company in Hangzhou.

A Global E-commerce Hub

In December 2024, construction of the Transit Mail Centre at HKIA was completed. With an annual capacity of 200,000 tonnes, the centre will handle mail and e-commerce shipments from the Mainland to overseas destinations.

During the year, site formation works began for United Parcel Service's express cargo hub at HKIA. Construction of the facility, which will have an annual capacity of nearly 1 million tonnes, is expected to begin in 2025/26.

Premium Airfreight

In November 2024, we completed validation of Pharma Corridor 3.0. This collaboration among HKIA, Miami International Airport and Cathay Cargo provides secure, efficient transportation for time- and temperature-sensitive pharmaceutical shipments between Miami and Hong Kong. Pharma Corridor 3.0 builds on our success creating the first airport-to-airport pharma corridor between Brussels and Hong Kong in 2019.

Supporting the Cargo Community

This year, the HKIA Cargo Data Platform introduced new features, including a Hong Kong trade declaration module and an artificial intelligence-enabled intrusion detection system for the Hong Kong Customs sea-air transshipment facilitation application module.

In December 2024, we launched the HKIA Cargo Intelligent Portal, which provides centralised access to modules in the HKIA Cargo Data Platform. The portal also keeps stakeholders abreast of cargo-related news, such as fuel surcharges, global trade, and environmental and technological trends.

During the year, we worked with the Hong Kong Monetary Authority to link its commercial data interchange to the HKIA Cargo Data Platform, as part of an initiative to create a cross-industry ecosystem for the financial sector.

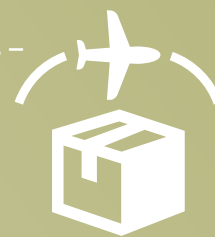
Awards

Our leadership in the air cargo industry was recognised with several awards in 2024/25:

- “Best Global Airport” at the 2024 Asian Freight, Logistics and Supply Chain Awards, organised by *Asia Cargo News*
- “Cargo Hub of the Year” at the Air Cargo News Awards 2024
- “Cargo Airport of the Year – Asia Pacific” and “Air Cargo Technology Provider of the Year” at the 11th Payload Asia Awards
- “Best Cargo Hub” at the Super Terminal Expo Awards 2024.



10 BUSIEST AIRPORTS IN 2024 – INTERNATIONAL FREIGHT THROUGHPUT*



1. Hong Kong (HKG)

4.9 MILLION TONNES

2. Pudong (PVG) 3.0 million tonnes

3. Incheon (ICN) 2.9 million tonnes

4. Hamad (DOH) 2.6 million tonnes

5. Anchorage (ANC) 2.6 million tonnes

6. Miami (MIA) 2.3 million tonnes

7. Taoyuan (TPE) 2.3 million tonnes

8. Dubai (DXB) 2.2 million tonnes

9. Changi (SIN) 2.0 million tonnes

10. Narita (NRT) 1.9 million tonnes

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

Source: Preliminary figures from Airports Council International in April 2025.

Enhancing Connectivity

In June 2024, we introduced the Air Network Development Programme, a three-year initiative that offers incentives to passenger and cargo airlines that launch new routes and increase the frequency of existing services to Hong Kong. By 31 March 2025, 27 carriers had started or enhanced services to 56 destinations.

Through this programme, we targeted passenger routes to Asia, Belt and Road markets, as well as long-haul trunk routes to North America, Europe and Australasia. Cargo services focused on North America and Western Europe.

Eight new cities in the HKSAR Government’s Individual Visit Scheme — Harbin, Hohhot, Lanzhou, Lhasa, Taiyuan, Urumqi, Xining and Yinchuan — are now served from HKIA, further enhancing our connectivity with the Mainland.

The new Transit Mail Centre has an annual capacity of 200,000 tonnes.

Airfield and Systems

This year, we commissioned the Three-runway System (3RS) at Hong Kong International Airport (HKIA). In addition, we continued to enhance our operations, introduced innovative technologies and participated in high-profile industry events.

Commissioning the 3RS

In 2024/25, Airport Authority Hong Kong (AAHK) reconfigured the Centre Runway, completed a new Air Traffic Control Tower, and conducted a commissioning flight check for the reconfigured Centre Runway and an aircraft crash and rescue exercise. The Civil Aviation Department issued an aerodrome licence for three-runway operation and, on 28 November 2024, we officially commissioned the 3RS, with all three runways operating simultaneously.



The deployment of autonomous vehicles is expanding with new routes and trials in landside areas.



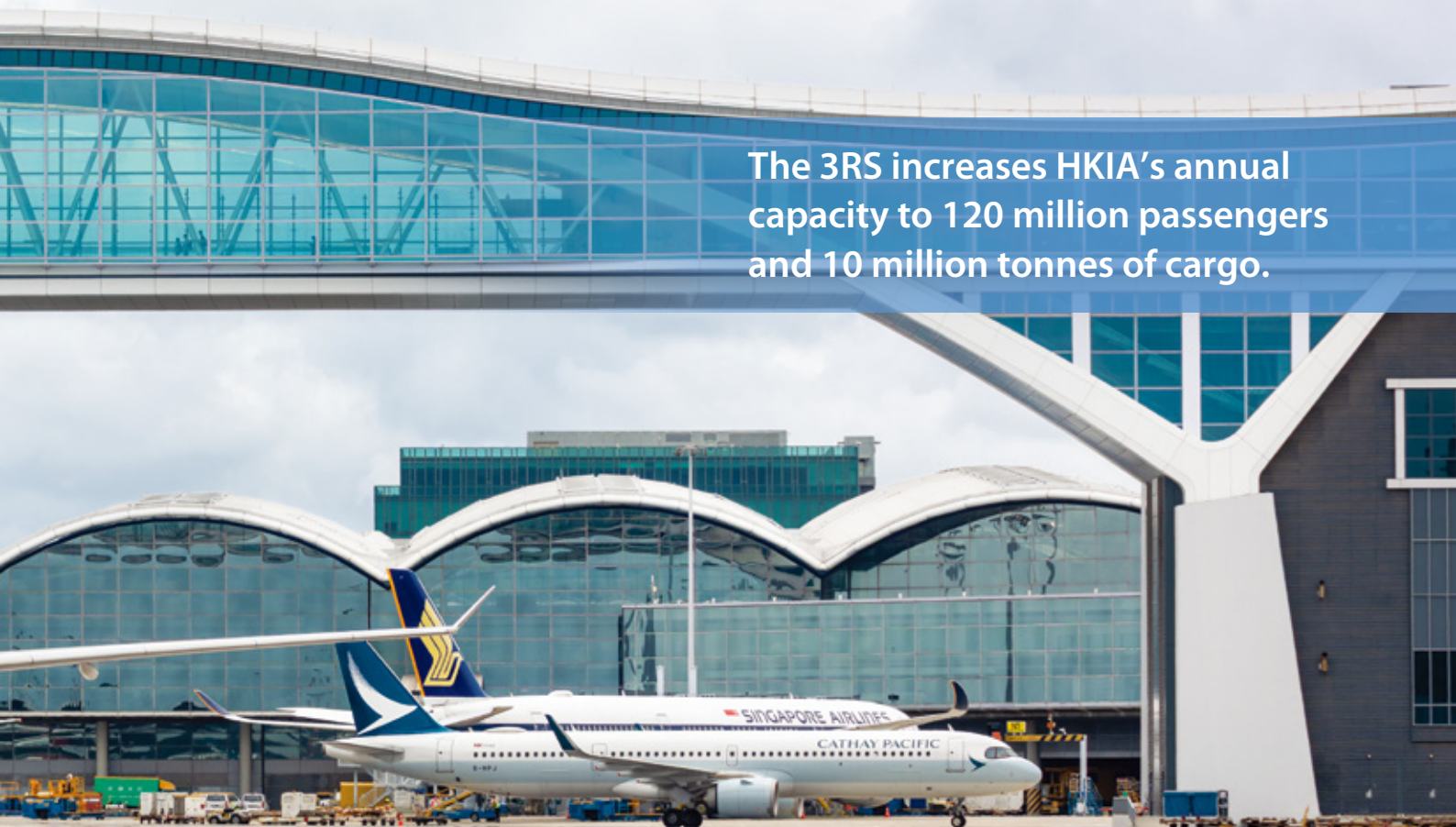
Autonomous Vehicles

To digitalise HKIA's apron, we are expanding the use of autonomous vehicles. We added new airside routes for the autonomous shuttle buses carrying airport staff, began deploying remote-controlled aircraft pushback tractors at Terminal 1 (T1) Midfield Concourse and T1 Satellite Concourse, and tested electric pushback tractors for wide-bodied aircraft. Autonomous electric tractors

now serve aircraft parking stands at T1 Midfield Concourse, and we plan to introduce autonomous saloon cars on the airfield in 2025/26.

In December 2024, we started conducting trials of autonomous vehicles in landside areas. An operational trial is planned for the autonomous transportation system on the Airportcity Link, which is expected to start carrying individuals in 2025 and extended to Tung Chung in 2028.

The 3RS increases HKIA's annual capacity to 120 million passengers and 10 million tonnes of cargo.



Digitalising Airport Operations

This year, we expanded our remote marshalling operation, which directs aircraft to gates, to cover all T1 frontal and remote stands. Hong Kong-based carriers adopted the Augmented Airfield Services System, which uses artificial intelligence (AI)-enabled analytics to improve ramp management. In Phase 2 of the Digital Apron and Tower Management System implementation, we installed 56 cameras to fully cover the 3RS.

In 2024/25, we began trials of the Autonomous Airfield Ground Lighting Cleaning and Inspection Robot that we jointly developed with the Electrical and Mechanical Services Department and the Guangdong Academy of Sciences. The autonomous robot improves maintenance efficiency by 70%. Robots are also being tested for in-terminal safety patrols, painting airfield markings and maintenance inspections.

We began replacing the X-ray machines in T1 Baggage Hall, and introduced AI-based technology to detect faults and spot empty tubs in the Baggage Handling System. The movement of baggage containers at the SkyPier Terminal is now automated.

To further digitalise landside operations, we launched the Smart Road Patrol System to facilitate the monitoring of landside facilities. We continued to enhance HKIA's real-time traffic management by introducing Landside Collaborative Decision Making system.

This year, we started upgrading HKIA's power infrastructure and charging network to facilitate the electrification of our airside vehicles and ground services equipment, and to meet growing demand from the public.

Advanced technologies such as robots are being implemented throughout the airport.



Recognition

HKIA won several awards this year, including silver at the 49th International Exhibition of Inventions Geneva for the Autonomous Airfield Ground Lighting Cleaning and Inspection Robot; “Automation – Aviation” at the HKB Technology Excellence Awards for deployment of autonomous electric tractors; and silver in the Project (Public) category at the 2024 CIC Construction Digitalisation Award for “Empowering Smart Airport City with Digital Twin”.

Industry Collaboration and Events

In the summer of 2024, AAHK joined the HKSAR Government’s delegation, led by the Chief Executive, to visit Vietnam and Cambodia. During the trip, AAHK signed memorandums of understanding with Airports Corporation of Vietnam, Vietnam Airlines, Sovico Group (co-founder of Vietjet Air) and Société Concessionnaire de l’Aéroport, which operates international airports in Cambodia. The agreements enhance connectivity between Hong Kong and Southeast Asia, and facilitate sharing of expertise on operations, service and sustainability.

In October 2024, AAHK also signed an agreement with COMAC Shanghai Aircraft Customer Service Co., Ltd., to support the Mainland China-developed C919’s operation at HKIA and to promote the aircraft internationally.

This year, AAHK participated in key industry events, including the International Airport Summit 2024 in Amsterdam, the 9th Beijing Global Friend Airports CEO Forum, the 14th Biennial Corporate Governance Conference 2024 in Hong Kong, the Passenger Terminal Expo and Conference 2024 in Frankfurt, and IATA Slot Conferences in Bogotá and Singapore.





Mainland Projects

In 2024/25, Airport Authority Hong Kong (AAHK) continued to contribute to the development of the nation's aviation industry by strengthening its partnerships with airports in Hangzhou, Shanghai and Zhuhai.



Acquiring 35% of the shares in Zhuhai Airport will further capitalise and leverage the strengths of both HKIA and Zhuhai Airport.



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 35% of the shares in Zhuhai Airport, and the joint venture’s contract to manage the airport was extended until 2046.

In calendar 2024, passenger volume at Zhuhai Airport increased 13.2%, to 13.0 million. Cargo throughput fell 2.5%, to 34,252 tonnes, and flight movements grew 5.7%, to 90,932. Zhuhai Airport’s on-time departure rate reached 90.8%, ranking it 16th among Mainland airports with similar passenger volumes.

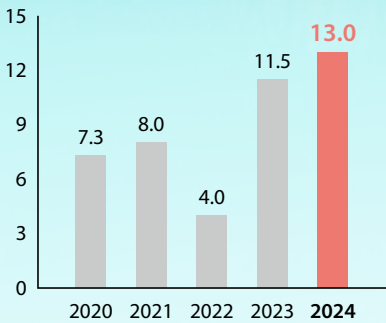
This year, the Civil Aviation Administration of China (CAAC) approved a temporary increase in the airport’s winter schedule, to 376 weekly flight movements, a 50.4% year-on-year increase.

In November, Zhuhai Airport hosted the 15th China International Aviation and Aerospace Exhibition. The show resulted in 1,387 passenger flight movements. More than 200,000 passengers used the airport, which maintained an on-time departure rate of 95.8%.

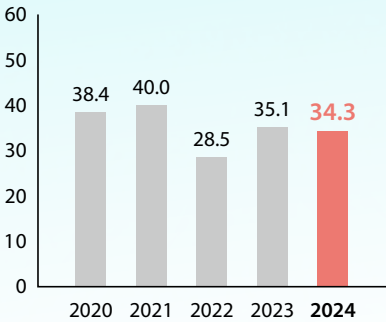
In 2024, the CAAC led an initiative to evaluate the service quality at airports with an annual throughput of more than 10 million passengers. Zhuhai Airport received an excellent rating in the evaluation.

THROUGHPUT AT ZHUHAI AIRPORT

(millions of passengers)



(cargo in thousands of tonnes)



Source: Civil Aviation Administration of China



Hongqiao Airport receives a five-star rating from SKYTRAX, which recognised it as the cleanest airport in China.



Shanghai Hongqiao International Airport

In 2009, AAHK and the Shanghai Airport Authority formed a joint venture that manages the terminal operations and retail businesses at Hongqiao Airport.

In 2024, passenger numbers at Hongqiao Airport rose 12.8%, to 47.9 million, while flight movements increased 3.2%, to 275,288.

During the year, Hongqiao Airport renovated check-in islands A and E in Terminal 2. Fifty-seven new stores opened at the airport, including four that were the first such outlets in a Mainland airport.

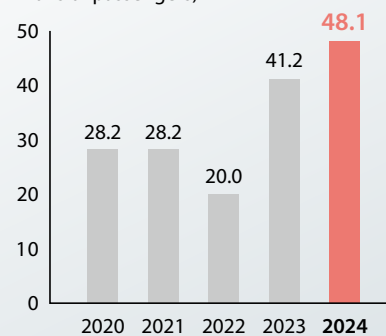
In 2024, Hongqiao Airport received a five-star rating from SKYTRAX, which named it the cleanest airport in China. For the 10th consecutive year, Hongqiao Airport won the best airport award from CAPSE.

On 1 January 2025, China Eastern Airlines started a daily, round-trip service between Hongqiao Airport and Hong Kong International Airport (HKIA) using the Mainland China-developed C919. China Eastern was the first carrier to use the C919 on flights to Hong Kong.

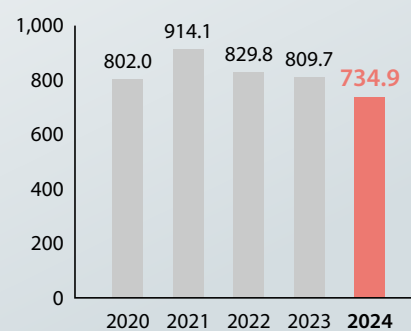
In 2024, 30 Hongqiao Airport staff attended training courses at Hong Kong International Aviation Academy. Two Hongqiao Airport employees were attached to departments at HKIA for three-month terms, while another five participated in a new staff exchange programme with Hangzhou Xiaoshan International Airport (HXIA).

THROUGHPUT AT HANGZHOU XIAOSHAN INTERNATIONAL AIRPORT

(millions of passengers)



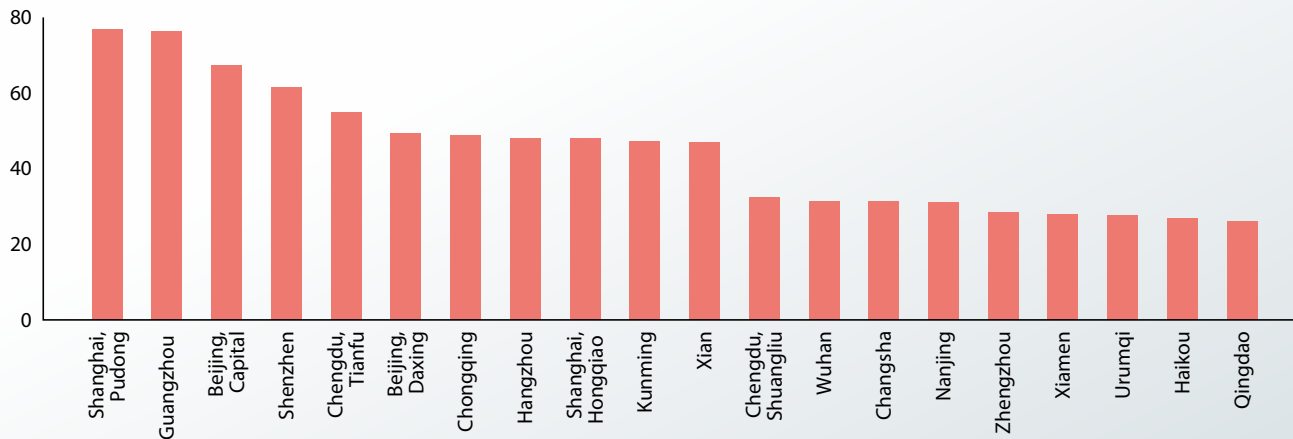
(cargo in thousands of tonnes)



Source: Civil Aviation Administration of China

TOP 20 AIRPORTS IN THE MAINLAND IN 2024 – PASSENGER THROUGHPUT

(millions of passengers)



Source: Civil Aviation Administration of China

Hangzhou Xiaoshan International Airport

In 2024, passenger throughput at HXIA reached 48.1 million and there were 320,000 flight movements, increases of 16.7% and 6.6%, respectively. Both figures were record highs, ranking HXIA eighth and 10th among Mainland airports. Due to the relocation of SF Express's operations, cargo and mail throughput fell 9.2%, to 734,900 tonnes, ranking HXIA seventh.

During the year, HXIA added or resumed 10 passenger and five cargo routes to international destinations. In June, passenger flights to Melbourne, Australia, began, bringing the number of cities served in Oceania to three. In November, passenger service to Tashkent, Uzbekistan, started, increasing the number of Central Asian destinations to two. In May, the first all-cargo flights to Vancouver, Canada, commenced. It is the first cargo service between Hangzhou and Canada. HXIA's passenger network now covers 36 international and domestic destinations. Twenty-one cargo destinations are served from HXIA.

In May 2024, a new eight-gate concourse in Terminal 4 opened to serve international flights. In January 2025, HXIA partnered with Air China, China Eastern Airlines and Beijing Capital Airlines to open the International Transfer Hall and launch 10 transfer routes, including Rome–Hangzhou–Seoul and Seoul–Hangzhou–Sydney. Transfer times for passengers were significantly reduced.

HXIA expands its global connectivity with the addition and resumption of both passenger and cargo routes.



Sustainability and People

Hong Kong International Airport (HKIA) is committed to sustainability. We continually reduce our environmental footprint, invest in the community and develop local talent.



Carbon Reduction

In 2021, Airport Authority Hong Kong (AAHK) pledged to achieve net zero carbon emissions at HKIA by 2050, with a midpoint target of a 55% reduction in absolute emissions by 2035, from a 2018 baseline.

We established the HKIA Greenovation Fund to help our business partners test carbon reduction technologies and accelerate the airport's decarbonisation. This year, we funded two projects: DHL's photovoltaic battery energy storage system and a renewable diesel pilot at Hong Kong Air Cargo Terminals Limited (Hactl).

In a separate initiative, we partnered with Hactl and Shell Hong Kong Limited to pilot the use of renewable diesel, known as hydrotreated vegetable oil, in ground services equipment (GSE). HKIA is the first airport in Asia to fuel GSE with renewable diesel, which can reduce greenhouse gas emissions by 87% compared with conventional diesel.

We also conducted a study on the use of sustainable aviation fuel in Hong Kong, and joined the Hong Kong Sustainable Aviation Fuel Coalition.

In 2024/25, we mapped and measured AAHK's scope 3 corporate value chain emissions against the 15 categories in the Greenhouse Gas Protocol, and identified future emission reduction opportunities.

In April 2024, we started working with Cathay Pacific Airways to collect more recyclable plastic bottles and aluminium cans from their inbound flights. The pilot initiative has recovered about 3 tonnes of cans and 7 tonnes of bottles since launched.

After an airport-wide study, we began the detailed design of photovoltaic systems for five additional buildings at HKIA. Our planned installations will build renewable energy capacity within the community. In 2024/25, Hong Kong Aircraft Engineering Company Limited installed the largest solar photovoltaic system of its kind on a single site in Hong Kong, generating over 4,000,000 kilowatt-hours annually. Through the HKIA Carbon Capacity Building Programme, in 2024/25 we organised five expertise-sharing events for participating companies.

This year, a representative of AAHK was appointed chair of the Asia-Pacific & Middle East Regional Environment Committee convened by Airports Council International (ACI). The two-year appointment underscores our commitment to driving industry-wide change.

HKIA is the first airport in Asia to fuel ground services equipment with renewable diesel, demonstrating its commitment to reducing carbon emissions.



North Lantau Marine Park

AAHK supported the Agriculture, Fisheries and Conservation Department in designating the North Lantau Marine Park (NLMP) under the Marine Parks Ordinance (Cap. 476). Hong Kong's eighth and largest marine park, the NLMP spans approximately 2,400 hectares and links two existing parks near HKIA. It was established in November 2024, creating a large marine protected area that abuts the Mainland's Pearl River Estuary Chinese White Dolphin National Nature Reserve. These areas are important habitats for Chinese White Dolphins and other marine life and fisheries resources.

AAHK also implements voluntary initiatives under its marine ecology and fisheries enhancement strategy, such as deploying artificial reefs and shellfish reefs, and restocking nearby waters with fingerlings.



AAHK is dedicated to balancing airport development with environmental protection.

Sustainability Awards

During the year, our sustainability efforts were recognised with numerous awards, including:

- Platinum in the Over 35 Million Passengers per Annum category of the Green Airports Recognition 2024 by ACI Asia-Pacific & Middle East for "Implementation of Marine Ecology and Fisheries Enhancement Measures"
- A "Sustainable Airport Award" at the Airport Honour Awards 2024 hosted by *International Airport Review*
- An "Outstanding Award", a "Leadership Award" and a "Strategist Award" in the Climate Disclosure Contribution category at the Hong Kong Green and Sustainable Finance Awards 2024 organised by Hong Kong Quality Assurance Agency
- A certificate of excellence in the IFMA Asia Pacific Awards of Excellence 2024, organised by the Hong Kong Chapter of the International Facility Management Association, for "Energy Saving on Airside Equipment by SHADOW"
- A "low risk" environmental, social and governance (ESG) rating from Sustainalytics. AAHK was in the top 3% in the Airport category, and was included in Sustainalytics' 2025 list of top-rated ESG companies. HKIA ranked third among 84 airports surveyed.





Different events and programmes are arranged to acquire and develop talent for the airport community.



Talent Acquisition

In 2024/25, we organised recruitment events targeting different types of jobseekers. At the annual HKIA Career Expo in May, more than 45 organisations offered over 7,500 positions and received over 3,000 applications. Expo participants enjoyed complimentary career talks and consultations.

In December, more than 30 local and international organisations showcased over 2,000 jobs at Airport Youth Career Day. This event included workshops and other support for local and non-Chinese applicants.

Through the EXTRA MILE project, we collaborated with our partners to provide work placement and skill development programmes to young people and non-Chinese speakers. The project also helped children of airport staff living in the Tung Chung area.

This year, we launched a dedicated website highlighting vacancies at HKIA, and worked with unions to organise district-level job fairs. We also held career talks at local universities, as well as institutions in the Greater Bay Area (GBA), Beijing, Shanghai and the United Kingdom.

Training and Development

In November 2024, 24 managerial staff from 14 departments completed a leadership development programme. The course concluded with participants presenting action learning projects to top management. We repeated our organisation-wide, annual talent review and succession planning exercise, which is designed to enhance our leadership bench strength.

To reinforce AAHK's talent pool, we welcomed high-calibre individuals from local, Mainland and overseas markets into our management trainee programme. In January 2025, we began recruiting candidates for a two-year IT trainee programme. Designed to support HKIA's digital transformation, this programme is scheduled to start in July. In addition to the graduate engineer programme, we collaborated with Vocational Training Council (VTC) to launch the Industrial Attachment Programme with the Fault Response Team. These attachments offer Higher Diploma students hands-on training to gain practical exposure while supporting the actual operations. It also serves as a pipeline to identify and nurture future field supervisors.



AAHK is committed to enhancing both community spirit at HKIA and the physical well-being of its workforce.

We also welcomed more than 100 students from local and overseas universities and educational institutions into our eight-week summer internship programme.

To encourage continuous learning and keep staff informed about important developments, we arrange talks by senior management and guest speakers under the “Business Series” and “Lunch & Learn” banners. Between July and October, we promoted digital innovation with four events in the “Technovation Talk Series”. In March 2025, we organised a seminar to raise staff awareness and understanding of artificial intelligence.

In May 2024, “Putonghua Day” encouraged staff to develop proficiency in that language. In August, a talk on national studies enhanced employees’ knowledge of the Mainland. And in December, a seminar on Hong Kong National Security Law was arranged for staff’s understanding of the law.

In June 2024, our Acting Chief Executive Officer hosted a town hall meeting with some 2,100 staff taking part. In October 2024, about 200 senior managers and key stakeholders from AAHK and its subsidiaries participated in the annual “Dialogue with Chairman”.

Staff Engagement

We promote employee engagement with a range of initiatives. This includes “Lunch & Mingle with Peers” — events where front-line and mid-level staff interact in an informal environment and learn about each other’s roles and responsibilities — which started in March 2025. Similar sessions are also held for staff with senior management.

Our Work Improvement Team (WIT) programme encourages staff innovation and creativity. In 2024/25, 27 teams from nine departments submitted ideas for enhancing our operations. In March 2025, six teams showcased their projects at our WIT Convention, which attracted nearly 600 attendees from AAHK, the airport community and other organisations that have adopted WITs.

To improve the employee experience, we continue to digitalise and streamline our human resource processes. This year, we expanded the e-Performance Management System for staff appraisals, and enlarged the scope of our data analytics to provide more comprehensive insights to senior management. We introduced community service leave, enhanced medical and maternity benefits and extended paternity leave. And we increased travel subsidies, as well as shift, rainstorm and meal allowances.

Wellness Week 2024 featured the theme family well-being. The event kicked off with a ceremony hosted by top AAHK management, and included an exercise workshop, a wellness expo and a fun day at KidZania in 11 SKIES, where the children of staff explored more than 30 professions. Wellness Week concluded with “Bring Your Family to Work Day”, which provided insights into life at HKIA. Wellness Week drew some 3,000 participants and much positive feedback.

Each year, we organise social and fitness-oriented events, like the HKIA Community Cycling and Rowing Competition, which was held in May 2024, and the HKIA Community Cycling and Running Competition in February 2025. Fun events marked Halloween and Valentine's Day.

This year, we enhanced the work environment for front-line employees by refurbishing the staff lounges in Terminal 1 (T1) and T1 Midfield Concourse (T1M), and installing oscillating fans in Baggage Hall and Remote Transfer Facilities at T1 and Midfield Baggage Handling Area at T1M. We also began renovating staff washrooms in T1 and T1 Satellite Concourse.

AAHK's efforts were recognised with a silver award in the Best Employee-Friendly Workplace category at the Employee Experience Awards 2024.

Hong Kong International Aviation Academy

Our city's first civil aviation academy, Hong Kong International Aviation Academy (HKIAA) continued to develop and deliver a range of professional and academic programmes in 2024/25.

The academy completed delivery of "Basic ATC Training for Student Air Traffic Controllers" to 10 trainees from the Civil Aviation Department (CAD) in July 2024, and welcomed a new group to the course in February 2025. HKIAA also

delivered two sessions of a customised course on enhanced collaboration between air traffic controllers and pilots. Sixty-four attendees from the CAD participated in the sessions.

The first cohort of the Cadet Pilot Programme is expected to complete flying training in the second quarter of 2025, and all students have received conditional job offers from HKIAA's partner airlines. The sixth cohort of cadets joined the programme in February 2025.

This year, HKIAA collaborated with Hong Kong Metropolitan University to add a cadet pilot concentration to its Bachelor of Business Administration with Honours in Aviation Services Management programme. This arrangement will allow students to earn a degree and commercial pilot's licence simultaneously.

In June 2024, HKIAA held a graduation ceremony for 97 members of the second and third intakes of the GBA Youth Aviation Industry Internship Programme. By March 2025, 542 students had joined HKIA as interns, and 215 had graduated from the programme.

During the year, AAHK acquired a hotel in Tsing Yi to provide accommodation solutions to interns and students of HKIAA.

Looking ahead, HKIAA plans to expand courses related to the COMAC C919, which is now operating in Hong Kong. The academy is also working with a French company to explore training opportunities related to aircraft engineering.



Under the theme family well-being, Wellness Week 2024 transforms the workplace into a vibrant hub of health and wellness.

Looking Forward

In 2024/25, Hong Kong International Airport (HKIA) continued its transformation from a city airport into an Airport City.

Terminal 2

Fitting-out works continue in Terminal 2 (T2), which is scheduled to be commissioned in phases starting in 2025/26. Extensions to the Automated People Mover and the Baggage Handling System linking Terminal 1 and T2 are now under construction, and will initially serve passengers departing from T2.

SKYTOPIA will offer a unique destination featuring shopping, dining, hospitality, business, art, sports, recreational and water activities.

SKYTOPIA

Unveiled in January 2025, SKYTOPIA is the new brand for HKIA's enlarged Airport City. SKYTOPIA will be a destination for residents and visitors, and drive the economic development of Hong Kong and the Greater Bay Area (GBA).

Capitalising on the land and marine resources near HKIA, SKYTOPIA will be home to:

- Hong Kong's first one-stop art hub, with creation, appreciation and trading under a single roof. The Art Ecosystem also includes the city's first dedicated, standalone art storage facility
- The Airport Bay Marina. With around 600 short- and long-term berths, this will be Hong Kong's largest yacht-berthing facility
- Hong Kong's biggest aquatic recreation area
- The Jet Fresh Market, offering gourmet delicacies from around the globe
- Phase 2 of AsiaWorld-Expo. The extension will include Hong Kong's largest indoor arena, with seating for 20,000 spectators
- A sportainment complex combining indoor and outdoor sports and entertainment facilities
- A marine resort and luxury hotel
- A piazza and 1.5-kilometre promenade
- Coveside F&B, a collection of elegant waterfront restaurants
- A smart transport system with automated car parks and autonomous vehicles
- 11 SKIES, a 350,000-square-metre mall with 800 retail outlets and three office towers



Intermodal Connectivity

We are committed to strengthening intermodal connectivity and cross-boundary services between HKIA and the GBA, and using the new car parks at the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge (HZMB) to support the HKSAR Government's Southbound Travel for Guangdong Vehicles initiative.

Hong Kong's first automated car park, "Park & Fly" is now undergoing operational trials. When it is commissioned in 2025/26, "Park & Fly" will make it convenient for travellers from the GBA to fly via HKIA. The second automated car park, "Park & Visit", will make it easy for self-driving visitors to enjoy SKYTOPIA's many attractions.

Airportcity Link and Airport Tung Chung Link

This year, we continued to develop the Airportcity Link, a non-bonded vehicular bridge integrated with a pedestrian walkway between SKYTOPIA and the Hong Kong Port of the HZMB. Operational trials of the Airportcity Link are scheduled for 2025/26, which is the first autonomous mass transportation system in Hong Kong. The Airport Tung Chung Link (ATCL), an extension of the Airportcity Link, is a dedicated, 3.8-kilometre route for autonomous vehicles between SKYTOPIA and Tung Chung town centre. Construction will start in the second half of 2025, with completion scheduled for 2028/29.

The first automated car park in Hong Kong, "Park & Fly" will strengthen the intermodal connectivity and cross-boundary services between HKIA and GBA cities.



The expansion of the Hong Kong Business Aviation Centre will enhance the city's competitiveness as a business aviation hub, offering a superior travel experience.



Airport City Cove

In November 2024, the Airport City Cove was gazetted under the Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127).

Hong Kong Business Aviation Centre

In 2025/26, the Hong Kong Business Aviation Centre will complete an expansion programme, and Airport Authority Hong Kong will begin planning new aircraft parking stands for business and private jets T2 Concourse. The new facilities will support the growth of business aviation at HKIA.

HKIA Precious Metals Depository

This year, Phase 1 expansion of the HKIA Precious Metals Depository was completed, with storage capacity increasing from 150 to 200 tonnes. We will finalise plans to increase the depository's capacity to 1,000 tonnes.



Financial and Operational Highlights

	2024/25	2023/24	+/- %
Financial results			
<i>(in HK\$ million)</i>			
Revenue	16,404	13,683	+19.9%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7,365	5,404	+36.3%
Depreciation and amortisation	(4,020)	(3,817)	+5.3%
Net interest and finance income	189	1,098	-82.8%
Profit attributable to the ordinary shareholder	2,457	1,613	+52.3%
Dividend declared	1,300	–	n/m
Financial position and ratios			
<i>(in HK\$ million)</i>			
Total assets	280,839	231,640	+21.2%
Total borrowings	162,163	111,669	+45.2%
Total equity	92,090	87,852	+4.8%
EBITDA Margin	44.9%	39.5%	
Total debt/capital ratio ¹	64%	56%	
Net debt/net capital ratio ²	54%	48%	
Credit ratings			
S&P Global Ratings:			
Long-term local currency	AA+	AA+	
Long-term foreign currency	AA+	AA+	
Operational highlights³			
Passenger traffic ⁴ (millions of passengers)	54.9	45.2	+21.6%
Cargo and airmail throughput ⁵ (millions of tonnes)	5.0	4.5	+10.3%
Aircraft movements (thousands)	373	310	+20.5%

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 transshipment cargo. Transshipment cargo is counted twice. Airmail throughput includes airmail from Hongkong Post and transit mail from airlines.

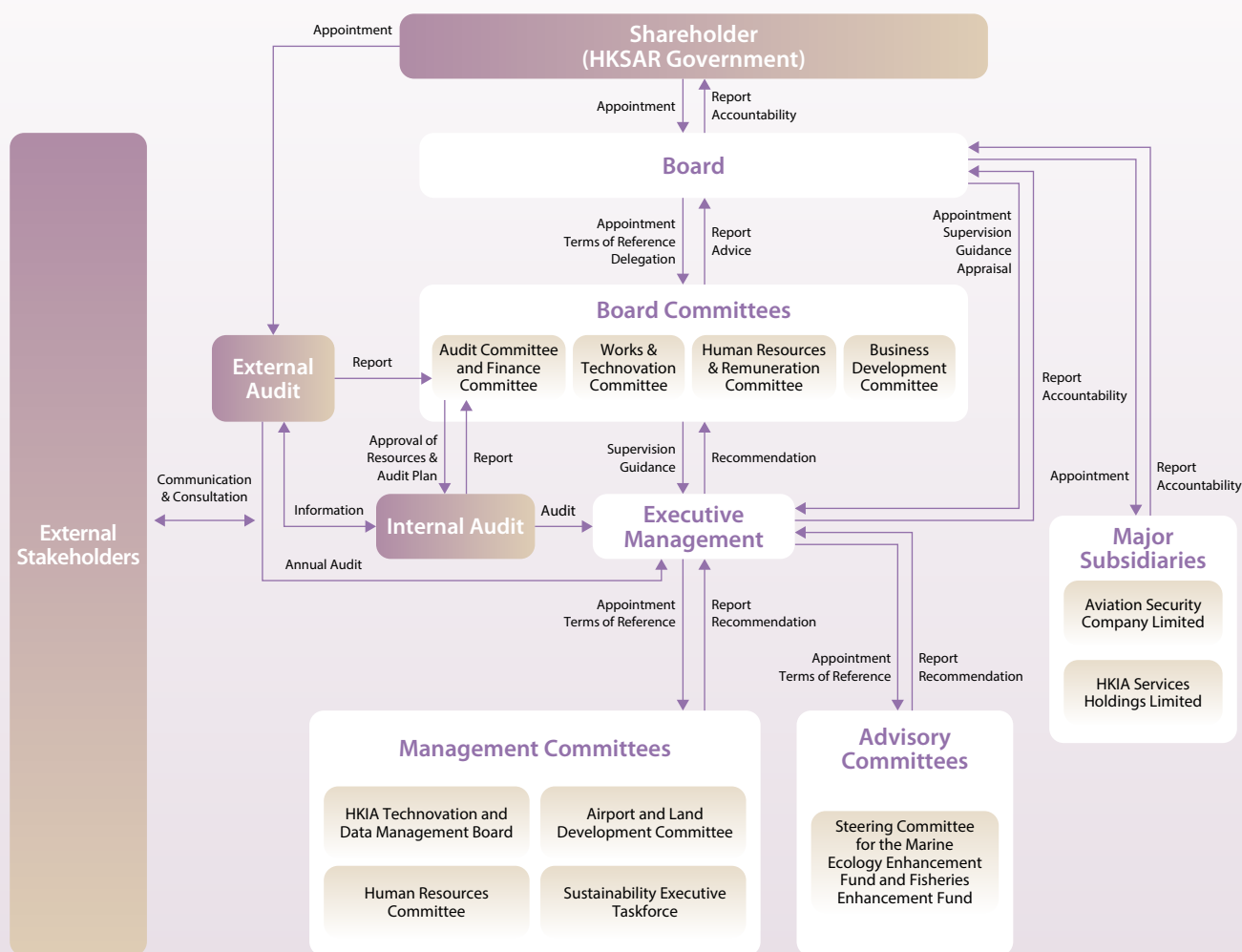
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Corporate Governance

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 the 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 and its subsidiaries 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.

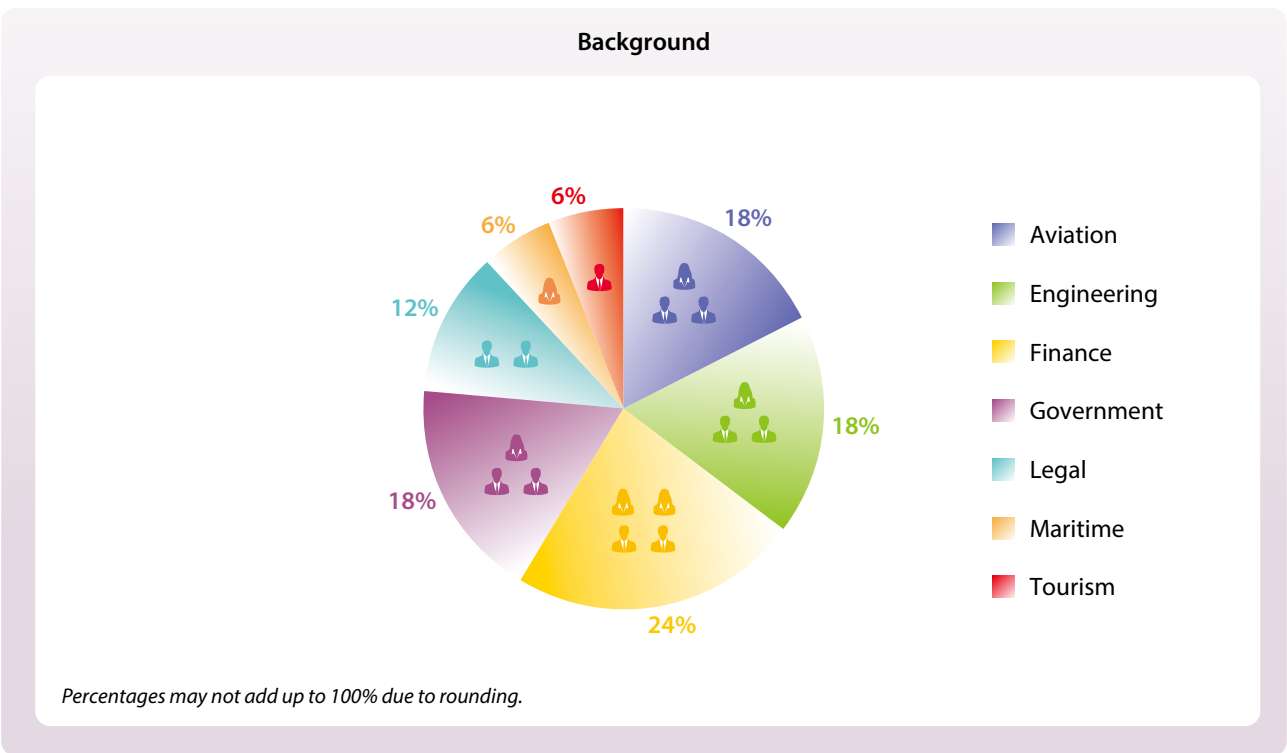
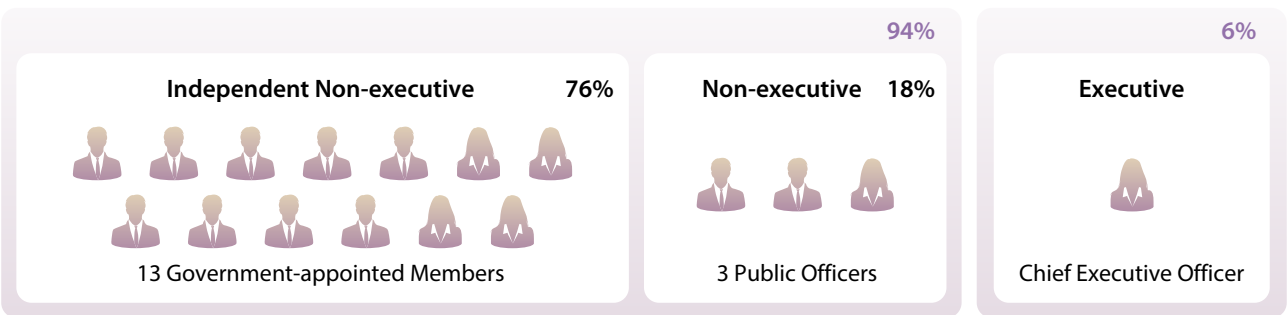
Corporate Governance

Board Composition

As of 26 May 2025, the Board has 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 total¹. 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.

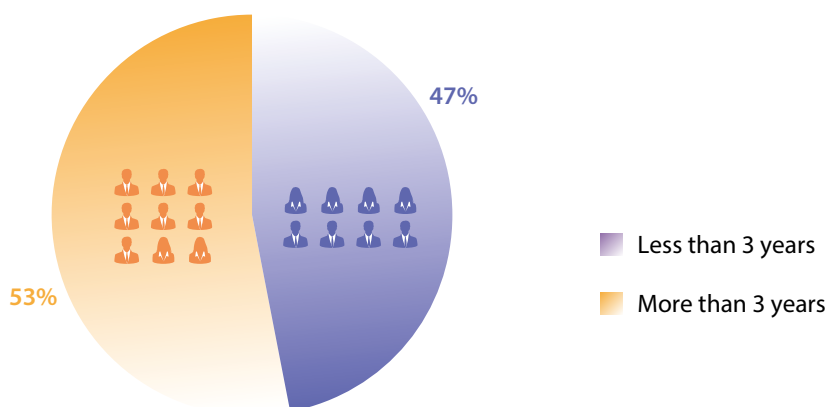
Board Diversity

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.

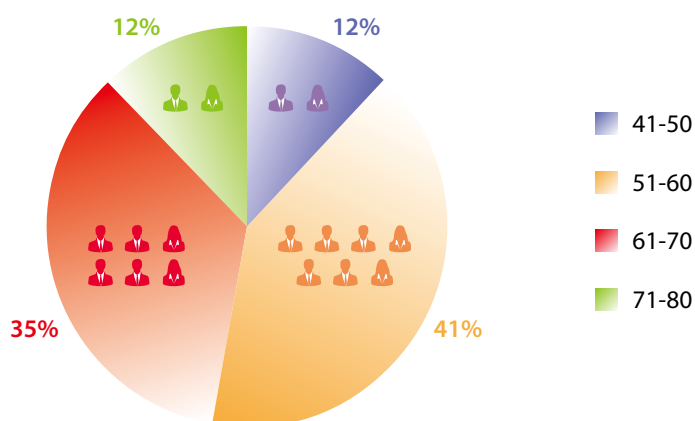


¹ Any Member who is not a public officer or an executive of AAHK and is not related to any Board Member or member of executive management is considered to be independent.

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 110.

Training

On appointment, each new Board Member (including public officers) participates in a tailored induction programme. The programme consists of a series of meetings with CEO, Executive Directors (EDs) and management; briefings on strategic developments, airport operations, aviation security, airport businesses and major infrastructure projects; and visits to airport developments at or around Hong Kong International Airport (HKIA). The induction programme enables new Members to familiarise themselves with the overall airport business and AAHK's objectives, strategies, operations and internal controls.

Corporate Governance

Recognising the importance of continuous training and development, during the year Board Members were given regular reports on the business and operation of AAHK and its key subsidiaries and associated companies. Board Members were also regularly briefed on the progress of the Three-runway System (3RS) project by way of presentations and aerial videos. In addition, AAHK arranged visits to SkyPier Terminal, Hong Kong Port of Hong Kong-Zhuhai-Macao Bridge (HZMB), Sky Bridge and the Civil Aviation Department's headquarters.

During the year, a group of Board Members joined the following visits to gain first-hand understanding of HKIA's business landscape and the global aviation industry:

Date	Activities
9 – 13 January 2025	<ul style="list-style-type: none">• Visited Singapore Changi Airport, Jewel Changi Airport, Bangkok's Suvarnabhumi Airport and the One Bangkok development• Engaged with leaders from Singapore's Changi Airport Group, Singapore's Ministry of Transport, the Civil Aviation Authority of Singapore and Singapore Airlines• Met with senior executives from U-Tapao International Aviation Co. Ltd. and held discussion sessions with Airports of Thailand Public Company Limited
10 February 2025	<ul style="list-style-type: none">• Visited DHL Central Asia Hub and Cainiao Smart Gateway• Engaged with representatives of DHL and Cainiao



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 2024/25

- Held five Board meetings with an average attendance rate of 91.6%
- Considered 42 papers (85.7% issued three clear days before the meeting)
- Significant matters considered or resolved:

Corporate

- Annual and 5-year business plans
- Corporate goals and performance measures
- Changes to Board Committees and their membership and nomination of directors to the Board of Aviation Security Company Limited, a major subsidiary of AAHK and the HKSAR Government
- 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

- Air Network Development Programme
- Investment in Mainland airports

Projects

- Progress of the 3RS project
- Major contracts related to the SKYTOPIA development

Commercial and Business Strategies

- Development of SKYTOPIA
- Term extension for Premium Logistics Centre
- Retail strategy

Human Resources

- Staff remuneration review
- Corporate performance assessment

Operations

- Air Traffic Controller Specialist Scheme
- Provision of long-term parking stands
- Accommodation for the Aviation Academy and airport workers

Corporate Governance

Meetings

Attendance records of Members at the five Board meetings are detailed on page 63.

Disclosure of Interests

AAHK has clear and comprehensive procedures for 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.

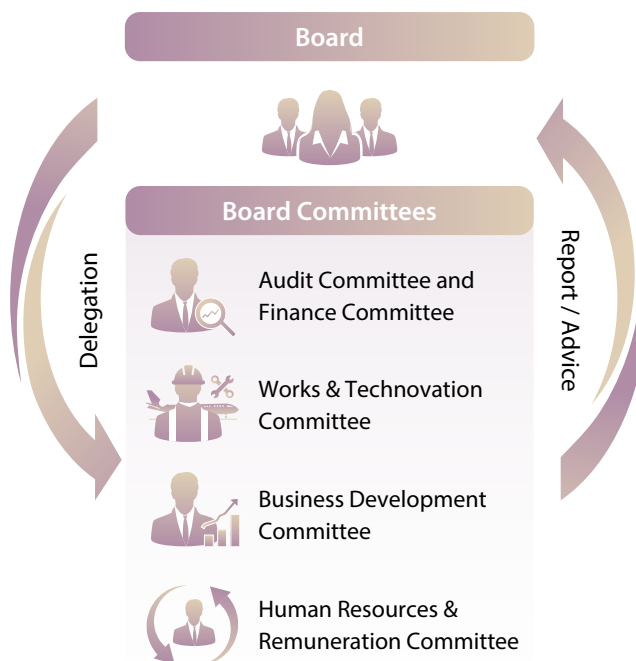
Board Members are also required to declare their direct or indirect interests, if any, in business proposals or transactions to be considered by the Board or Board Committees. Board Members with material conflicts of interest are not provided with papers related to the proposal or transaction under consideration, 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

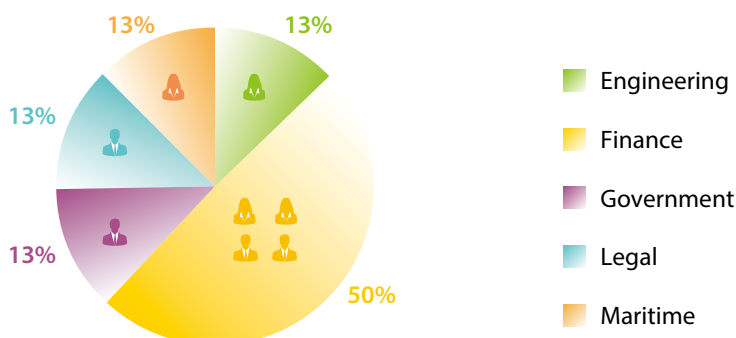
The terms of reference of Board Committees are reviewed from time to time. A review was last conducted in 2024 in light of the renewed organisation focus and AAHK's evolving business and operational needs, better division of work among Committees and clarity. The terms of reference of Board Committees 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 2025.

Audit Committee and Finance Committee (ACFC)

Members' Background – ACFC



Average Attendance Rate: 90.3%

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

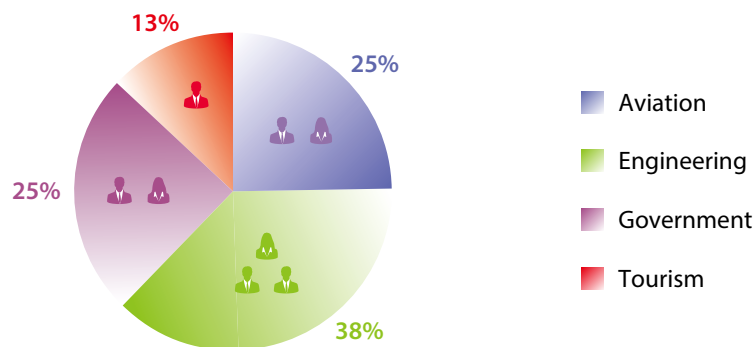
1. Reviews financial statements
2. Makes recommendations on the appointment of the external auditor, approves its remuneration and terms of engagement, and oversees AAHK's relations with the external auditor
3. Reviews accounting policies, annual budget and 5-year financial plan
4. Oversees internal 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 2024/25

- Held four meetings with an average attendance rate of 90.3%
- Considered 18 papers, all issued more than three clear days before the meeting, with more than 60% 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
 - Acquisition of accommodation for the Aviation Academy and airport workers
 - Review of sustainability issues relating to the operation and development of HKIA

Works & Technovation Committee (WTC)

Members' Background – WTC



Average Attendance Rate: 91.7%

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

The 3RS & Works Committee has been revamped to Works & Technovation Committee with effect from 1 January 2025

Members

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

Independent Non-executive

- Ir Dr the Hon Lo Wai-ki (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, implementation to successful completion, on-time and within budget:

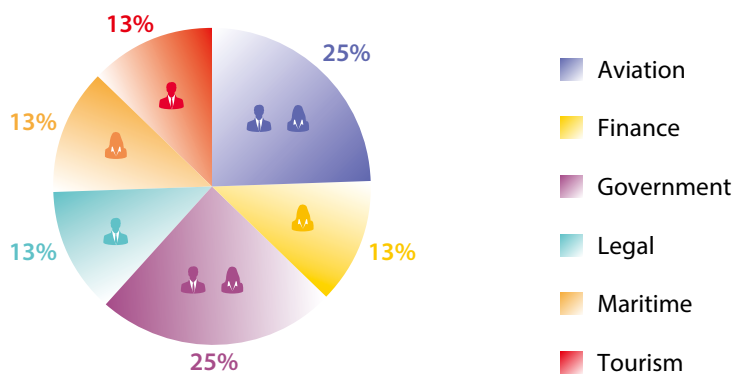
1. Advises and makes recommendations to the Board on key matters for Relevant Projects and Services
2. Reviews and approves procurement strategy and evaluation criteria for Relevant Projects and Services and associated consultancies
3. Reviews and approves or makes recommendations to the Board on the 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 2024/25

- Held six meetings with an average attendance rate of 91.7%
- Considered 21 papers (85.7% 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
 - Award of contracts related to Automated People Mover cars
 - Major contracts related to the SKYTOPIA development
 - Procurement strategies and award of major works contracts
 - Design consultancy services for infrastructure developments
 - Airport improvement and maintenance works

Business Development Committee (BDC)

Members' Background – BDC



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:

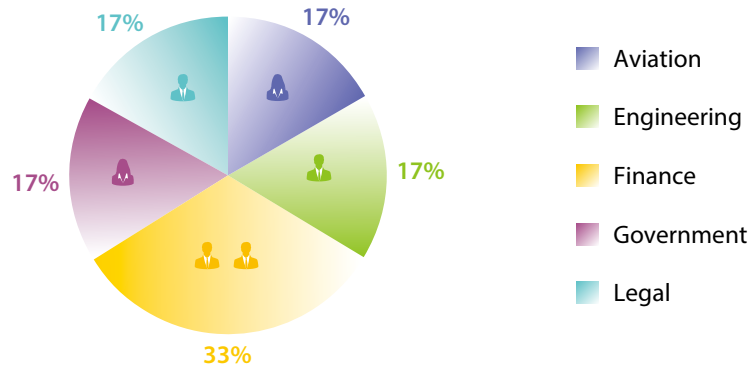
1. Business investment objectives and strategies relating to the development of HKIA as an international aviation hub
2. Airport business, commercial and land development plans and proposals and associated consultancies
3. Major commercial and airport operational commitments, including review of airport 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 2024/25

- Held four meetings with an average attendance rate of 94.1%
- Considered 17 papers, all issued more than three clear days before the meeting, with more than 80% of the papers exceeding this target
- Significant matters considered or resolved:
 - Development of HKIA Dongguan Logistics Park
 - Airport marketing campaigns
 - Licensing strategy for luxury retail concessions
 - Business strategies and charging mechanism
 - Franchise extensions
 - Award of operation and service contracts

Human Resources & Remuneration Committee (HRRC)

Members' Background – HRRC



Members

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

Independent Non-executive

- The Hon Rock Chen Chung-nin (Chairman)
- Ir Dr the Hon Lo Wai-kiwok
- 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 2024/25

- Held two meetings with an attendance rate of 91.7%
- 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
 - Recruitment of CEO
 - Contract renewal of EDs

Meeting Attendance (1 April 2024 to 31 March 2025)

Members of the Board	AAHK					AVSECO Board ⁷
	Board ⁶	ACFC ⁶	WTC ¹⁰	BDC	HRRC	
Non-executive						
Secretary for Transport and Logistics	5/5		6/6	4/4	2/2	
Secretary for Financial Services and the Treasury	5/5	4/4				
Director-General of Civil Aviation	5/5		6/6	4/4		2/2
Independent Non-executive						
Mr Fred Lam Tin-fuk (Chairman of the Board) ²	4/4					
Prof. Dorothy Chan Yuen Tak-fai ³	4/4	3/3	5/5			
Ms Sabrina Chao Sih-ming	4/5	4/4		4/4		
Mr Philip Chen Nan-lok	5/5		3/6	2/4		
The Hon Rock Chen Chung-nin	5/5	2/4			2/2 ¹	
Ms Irene Chow Man-ling	4/5	4/4				2/2
Mrs Ann Kung Yeung Yun-chi ³	3/4	3/3		3/3		
Mr Laurence Li Lu-jen	4/5	3/4	1/1			2/2
Ir Dr the Hon Lo Wai-kwok ⁸	5/5		6/6 ¹		2/2	2/2
Ir Edwin Tong Ka-hung ⁹	5/5		6/6			2/2
Dr William Wong Ming-fung	2/5			4/4 ¹	1/2	
The Hon Perry Yiu Pak-leung ³	4/4		4/5	3/3		
Mr Stephen Yiu Kin-wah	5/5	4/4 ¹	1/1		1/1	
The Hon Jack So Chak-kwong (former Chairman of the Board) ⁴	1/1					
Mr Adrian Wong Koon-man ⁴	1/1	1/1			1/1	
Executive						
Mrs Vivian Cheung Kar-fay (CEO) ⁵	4/4		5/5	3/3	1/1	2/2
Mr Fred Lam Tin-fuk (former CEO) ²	1/1		1/1	1/1	1/1	
Total number of meetings held during the year	5	4	6	4	2	2

Notes:

¹ Chairman of the Committee

² Stepped down as CEO on 31 May 2024 and appointed as Chairman of the Board on 1 June 2024

³ Appointed to the Board and Committees on 1 June 2024

⁴ Retired from the Board and Committees on 31 May 2024

⁵ Appointed as Acting CEO on 1 June 2024 and appointed as CEO on 7 April 2025

⁶ Representatives of the external auditor participated in two Board meetings and two ACFC meetings during the year

⁷ AVSECO is jointly owned by AAHK (51%) and the HKSAR Government (49%), and is responsible for providing aviation security services at HKIA

⁸ Chairman of the AVSECO Board and AVSECO Human Resources Committee

⁹ Chairman of the AVSECO Audit Committee

¹⁰ Formerly known as the 3RS & Works Committee

ACFC: Audit Committee and Finance Committee

WTC: Works & Technovation Committee

AVSECO: Aviation Security Company Limited

BDC: Business Development Committee

HRRC: Human Resources & Remuneration Committee

Corporate Governance

Balance of Responsibility

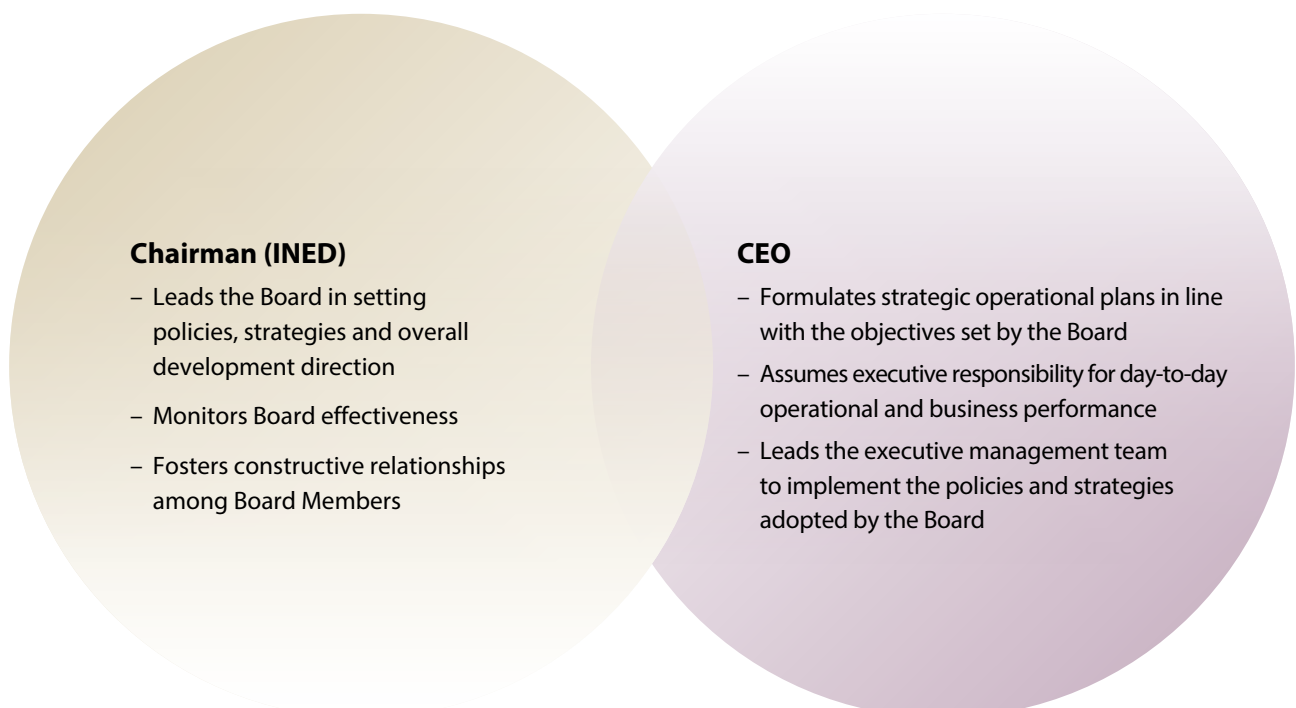
The Board is responsible for overseeing the strategic direction and overall performance of AAHK, while executive management is responsible for managing the operations and implementing the strategies set by the Board.

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 the Independent Non-executive Chairman and CEO are held by different people, and their roles are segregated and distinct. Their major responsibilities include:

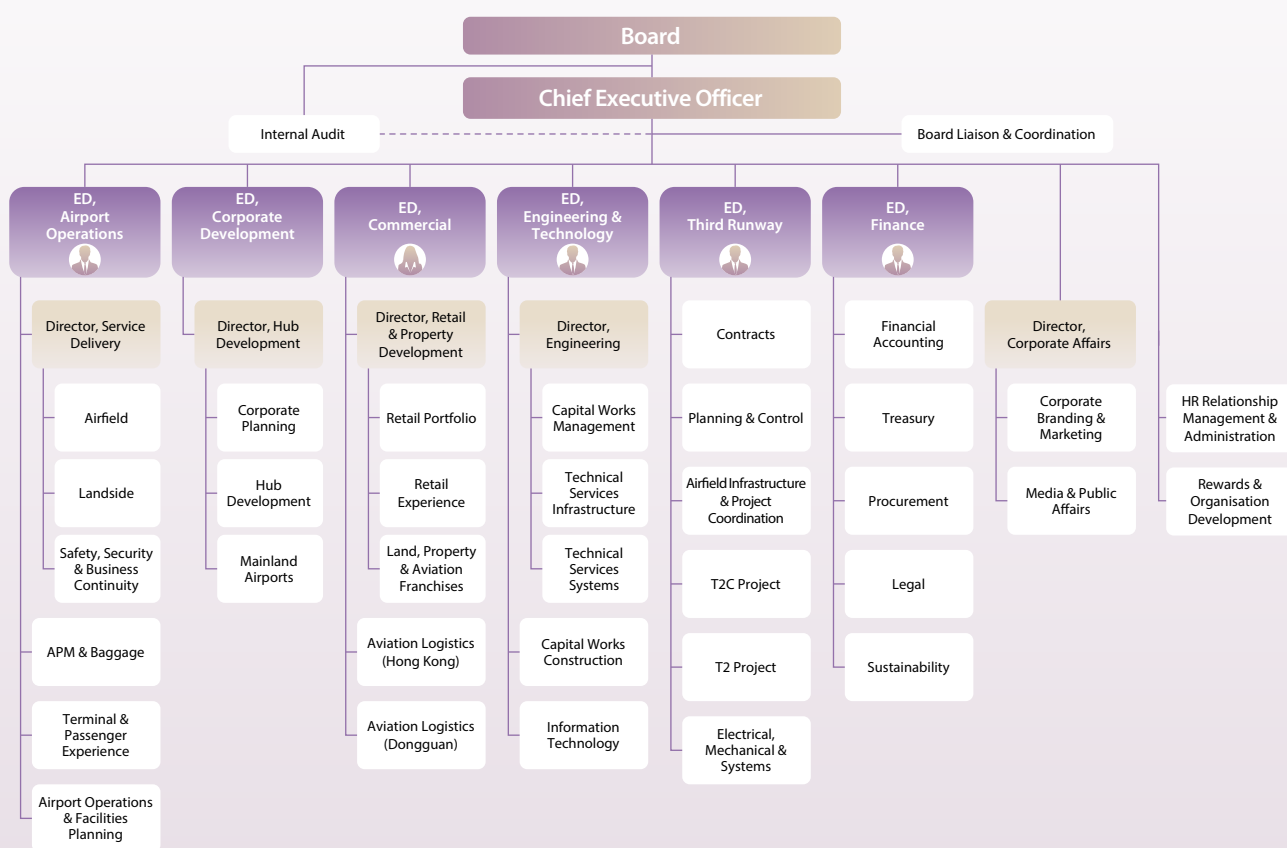


Executive Management

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 May 2025 is as follows:

AAHK Organisation Structure



The performance of 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 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 CEO and EDs are set out in the Notes to the Financial Statements on pages 110 to 113.

The Secretary is responsible for advising the Board through the Chairman on corporate governance matters and assisting 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	<ul style="list-style-type: none">• CEO (Chairman)• EDs• Other senior staff	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• CEO (Chairman)• Relevant EDs• Other senior staff	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• CEO (Chairman)• EDs	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• CEO (Chairman)• EDs	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none"> • ED, Finance (Chairman) • External members from academia and the accounting, water, engineering and environmental sectors 	<ul style="list-style-type: none"> • 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 2024/25, 30 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.

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 major events are shared in a monthly newsletter, *HK Airport News*, and at town hall meetings that allow direct communication with AAHK's staff. Chaired by CEO, the weekly management meeting serves as an important information sharing platform for senior management to keep abreast of the latest developments and current corporate issues. Minutes of management meetings 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.

Corporate Governance

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.

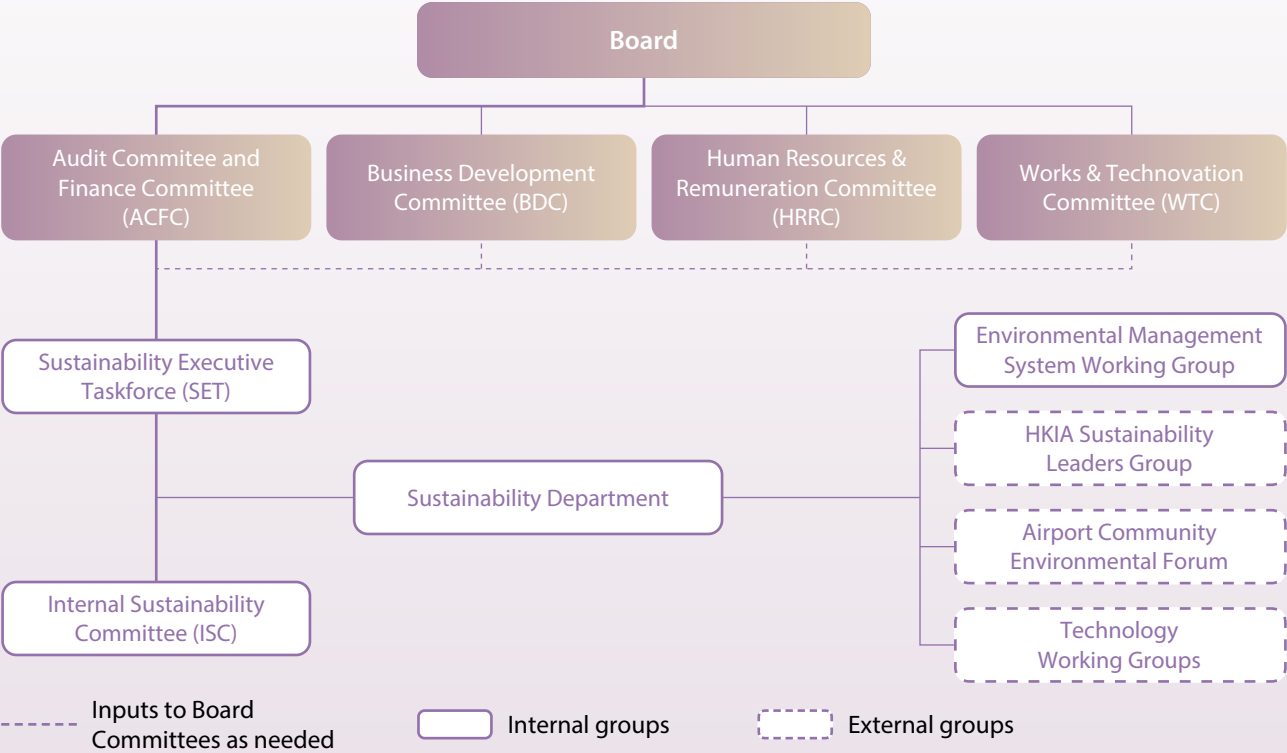
The Sustainability Department is responsible for developing and implementing AAHK's sustainability strategy, management and reporting systems. The Sustainability Department liaises with other departments to deliver sustainability projects and initiatives, and provides secretariat support to the ISC. 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 2023/24*, 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 Environmental, Social and Governance Reporting Guide published by Hong Kong Exchanges and Clearing Limited. AAHK's third *Sustainable Finance Transactions Annual Report*, which is incorporated in *Sustainability Report 2023/24*, provides details on the use of proceeds as well as the estimated environmental impacts of AAHK's inaugural green bond issued in January 2022 and its second green bond issued in January 2023. AAHK also provided climate-related disclosures against the Task Force on Climate-related Financial Disclosures recommendations in its fourth statement, which is appended to *Sustainability Report 2023/24*. *Sustainability Report 2023/24* is explicitly aligned with the United Nations Sustainable Development Goals and was independently verified by 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" environmental, social and governance (ESG) rating with a score of 13.2; was in the top 3% in the Airports category; and was included in Sustainalytics' 2025 list of top-rated ESG companies. HKIA ranked third among 84 airports surveyed
<i>International Airport Review</i>	"Sustainable Airport Award" at the Airport Honour Awards 2024
Airports Council International Asia-Pacific & Middle East	Platinum in the Over 35 Million Passengers per Annum category of the Green Airports Recognition 2024, which focused on biodiversity and nature-based solutions
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 2024
CLP Power Hong Kong Limited	An "Excellence Award" in the Innovation category at the CLP Smart Energy Award 2024
Hong Kong Quality Assurance Agency	"Outstanding Award", "Leadership Award" and "Strategist Award" in the Climate Disclosure Contribution category at the Hong Kong Green and Sustainable Finance Awards 2024
Standard Chartered and <i>Hong Kong Economic Journal</i>	"Leadership Awards" in the Sustainable Corporate (Environment) and Marathon Resilience categories at the Standard Chartered Corporate Achievement Awards 2024
<i>Ming Pao</i>	"Excellence ESG Corporate Award – Non-listed Company" at the Ming Pao ESG Award 2024

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 CEO and has the EDs as members, are disclosed in the Sustainability section of this report.

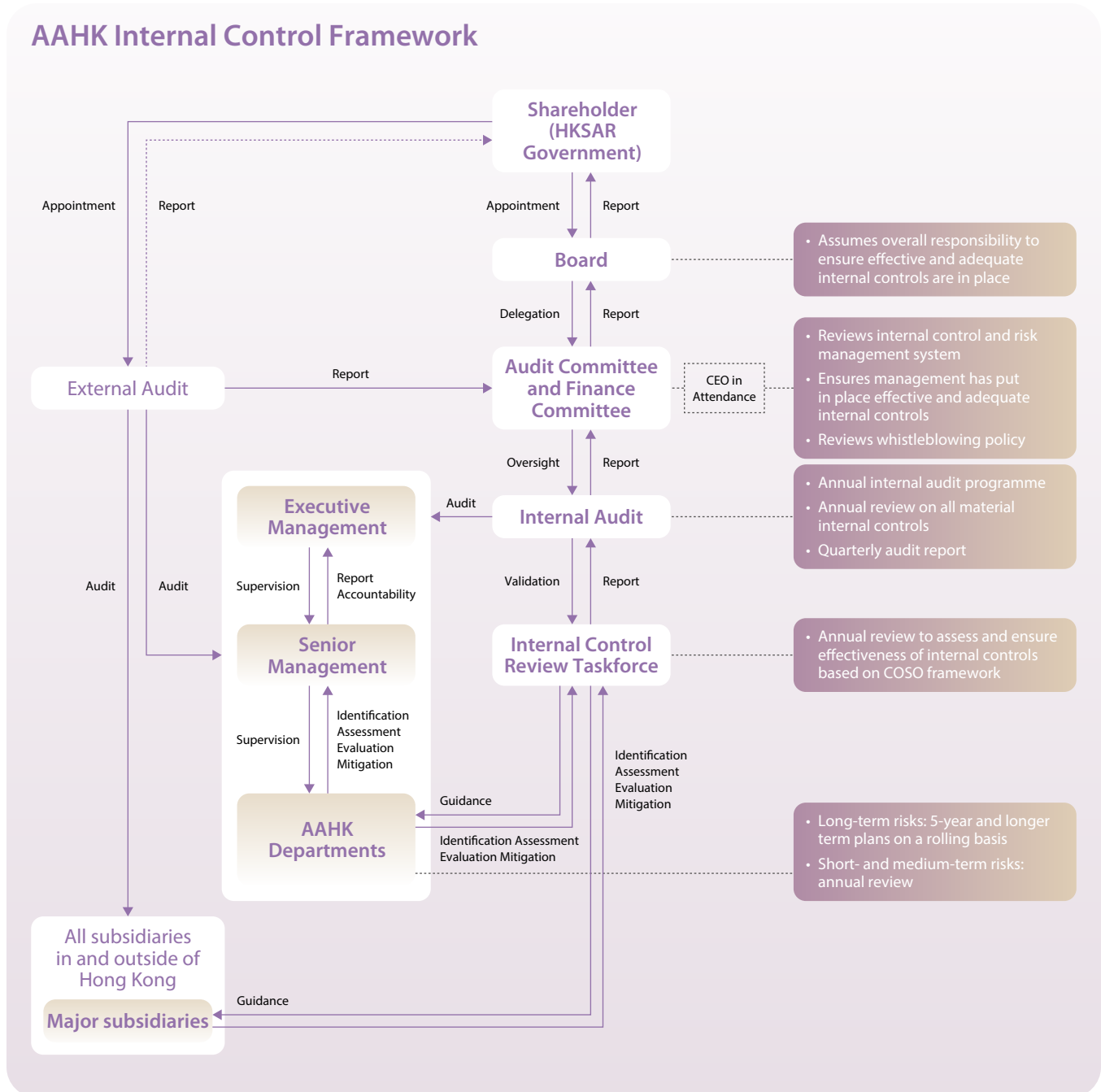
Internal Controls

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.

Corporate Governance

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

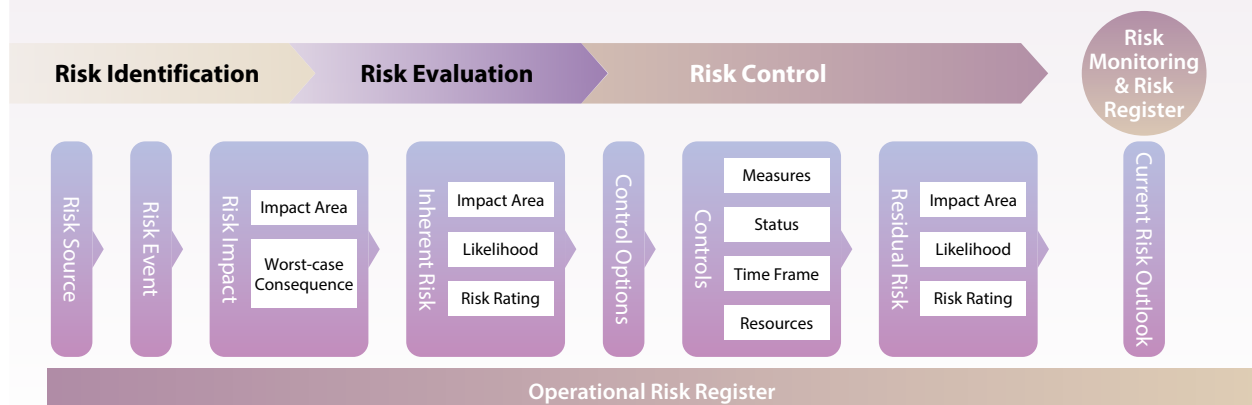
To recognise emerging risks from economic, market or environmental changes, management conducts ongoing risk assessments. These assessments help the Board identify new exposure areas and implement appropriate mitigation measures.

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 potential 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 2019/20. AAHK may engage the external auditor, KPMG, to undertake certain non-audit services, on the basis that such services are provided at a reasonable level so as to avoid any perceived conflict of interests which would 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)	2024/25	2023/24
Audit fees	6	6
Fees for non-audit services	3	2

The non-audit work conducted by KPMG during 2024/25 was mainly in relation to debt issuance, 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 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.

Corporate Governance

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 78 to 81.

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. CEO is delegated the power to approve expenditures and commercial contracts up to HK\$200 million and consultancy agreements up to HK\$50 million.

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 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 2025 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.1.3, 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.3.4	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 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.
D.2.4 (e)	This code provision relates to the disclosure of procedures and internal controls for handling and disseminating inside information.	These provisions are not applicable because all of AAHK's shares are held by the HKSAR Government and are not traded.
E.1.2 (a)	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.2.2	This code provision deals with the 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 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.

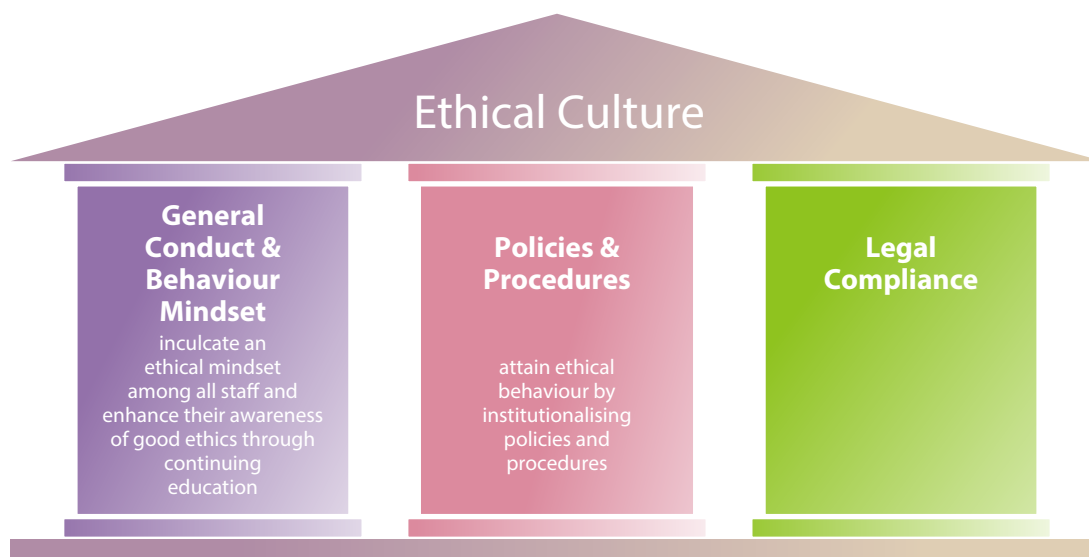
The Code stipulates the standard of behaviour expected of all staff including the requirement to comply with applicable laws and regulations, AAHK's policies on handling conflicts of interest, avoiding solicitation and acceptance of advantages, safeguarding AAHK's property, information and records, etc. 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 2024/25, seminars and training sessions were arranged 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)	<ul style="list-style-type: none"> • Orientation for new hires <ul style="list-style-type: none"> – Importance and framework of corporate governance – Highlights of Code of Conduct 	Within three months
	<ul style="list-style-type: none"> • Code of Conduct 	Within one month of joining AAHK, with an annual refresher
	<ul style="list-style-type: none"> • Staff Information Security Handbook 	Within one month of joining AAHK, with an annual refresher
	<ul style="list-style-type: none"> • Information Classification and Handling in HKIA 	Within one month
	<ul style="list-style-type: none"> • Employee Safety Handbook 	Within one month
	<ul style="list-style-type: none"> • Brief introduction to AAHK's environmental management system 	Within one month
Legal Compliance (Mandatory)	<ul style="list-style-type: none"> • Briefing on equal opportunities legislation • Seminar on data privacy • ICAC briefing: General awareness • ICAC briefing: Misconduct in public office 	Within one month
Procedures and Practices (By Nomination)	<ul style="list-style-type: none"> • 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 on rigorous recruitment and selection, purposeful staff development and succession planning, and a compensation and reward system that aims to maintain a team of quality and highly motivated staff is in place. 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 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 53 to 77 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 2024/25 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/Retail_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	<ul style="list-style-type: none">• Maintaining Hong Kong as a centre of international and regional aviation is part of AAHK's statutory mandate• Driving the growth of passenger traffic at Hong Kong International Airport (HKIA) amid intensifying regional competition• Ensuring availability of project management staff and skilled labour to successfully deliver the residual Three-runway System (3RS) works and other projects on time and within budget• Maintaining high service standards• 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	<ul style="list-style-type: none">• Expanding the capacity of HKIA by way of a three-runway operation to help enhance Hong Kong's long-term competitiveness and economic development• Procuring external consultants and specialists to augment in-house project management resources• Maintaining close collaboration with educational, trade and government bodies to provide training for local workers• Constant monitoring and regular review of service delivery standards and operating procedures• Putting contingency plans and regular drills in place to test the response capabilities of all concerned parties and minimise impact on passengers• Adopting predictive and smart technologies to improve operational efficiency• Continuous investment in facilities upgrades and replacement of projects to 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

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:

Environmental Risks

Major Challenges	<ul style="list-style-type: none"> • Meeting more stringent environmental regulations and standards • Implementing initiatives to achieve AAHK's environmental targets
Controls in Place	<ul style="list-style-type: none"> • 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 • 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 2023/24*, which is available at www.hongkongairport.com/iwov-resources/file/sustainability/sustainability-report/AA_Sustainability_Report_202324_ENG.pdf.

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	<ul style="list-style-type: none"> • Sustaining efforts to maintain safe operations at HKIA and fostering a positive safety culture among the airport community amid the recovery in air traffic • Coping with the growth in demand for security manpower as a result of the steady resumption in passenger throughput and the commissioning of new facilities • Ensuring airport business continuity against disruptions associated with inherent aviation risks under a new complex 3RS operating environment
Controls in Place	<p>Safety</p> <ul style="list-style-type: none"> • Operating and maintaining an effective safety management system with regular reviews and updates to the Aerodrome Safety Management System Manual to ensure its appropriateness and continuous improvement • Maintaining a comprehensive safety risk management process that includes hazard identification and risk assessment, and a Live Operations Risk Assessment Register to continuously monitor risks arising from aerodrome development projects and reduce risks to an acceptable level • Continually organising airport-wide safety promotion programmes to enhance safety awareness, promote a positive safety culture and encourage technology adoption among airport staff <p>Security</p> <ul style="list-style-type: none"> • Deploying Aviation Security Company Limited (AVSECO) staff dynamically across divisions, and implementing staff retention measures, including regular reviews of remuneration packages and improvements to conditions of service, to ensure sufficient manpower to fulfil business needs • Recruiting additional manpower through the Labour Importation Scheme for Transport Sector – Aviation Industry and Hong Kong International Aviation Academy's Greater Bay Area Youth Aviation Industry Internship Programme • 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, and in the closed-circuit television system to facilitate identification of targeted airport users

Risk Management

Safety, Security and Business Continuity Risks (continued)

Controls in Place	Security <ul style="list-style-type: none">Partnering closely with works departments to ensure the security-by-design and security-by-construction in the airport's expansion projects
	Business Continuity <ul style="list-style-type: none">Fostering operational resilience by implementing risk management to identify major operational risks, mitigations and contingencies especially under the new 3RS operating environmentStrengthening HKIA's readiness to respond to multi-scenario emergencies and disruptions by conducting exercises, drills and training amid traffic resumption, extreme weather, public health events, security risks, new technology deployment, 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	<ul style="list-style-type: none">Credit riskLiquidity riskInterest rate riskForeign currency risk
Controls in Place	<ul style="list-style-type: none">Having credit policies in place and monitoring exposure to credit risks on an ongoing basisRegular 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 termUsing interest rate swaps, denominated in Hong Kong dollars, to achieve an appropriate mix of fixed and floating interest rate exposureUsing currency swaps and forward exchange contracts to manage foreign currency riskDetails 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 136 to 144

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	<ul style="list-style-type: none">Adoption of new technologies and the rise in the intensity and sophistication of cyberattacks may introduce more attack surfaces or security vulnerabilities to HKIA's IT infrastructure and systems
Controls in Place	<ul style="list-style-type: none">IT governance and cybersecurity risk management frameworks being put in place to ensure consistent risk assessment and managementAnnual review to ensure IT projects align with corporate strategiesContinuous monitoring of emerging IT security risks, with proactive measures to enhance risk awareness and mitigate risksPreventive, detective and containment measures deployed to help mitigate security threats. Provision of monitoring tools to alert management to risks and vulnerabilitiesAdopting advanced cybersecurity technologies to deal with the increasing complexity of cyberattacksAnnual IT review and mitigation planning process being put in place. The progress of this process is reviewed regularlyMonitoring of the strategic direction of technology adoption, 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Adopting a proactive and forward-looking approach to monitor changes in government policy and legislation• Review of judgments, rulings, regulatory actions and complaints to identify potential areas of risks to AAHK• Policies, procedures and mitigation measures being put 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 expansion 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	<ul style="list-style-type: none">• Acquiring sufficient talent to support HKIA's expansion• 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	<ul style="list-style-type: none">• A human resources plan up to 2029/30 and resourcing strategies being put 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	<ul style="list-style-type: none">• Managing and pre-empting possible reputational risks
Controls in Place	<ul style="list-style-type: none">• 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 being put 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

<i>(in HK\$ million)</i>	2024/25	2023/24	+/-%
Revenue	16,404	13,683	+19.9%
Operating expenses before depreciation and amortisation	(9,039)	(8,279)	+9.2%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7,365	5,404	+36.3%
Depreciation and amortisation	(4,020)	(3,817)	+5.3%
Net interest and finance income	189	1,098	-82.8%
Share of results of joint ventures	(191)	(507)	+62.3%
Profit before taxation	3,343	2,178	+53.5%
Income tax expense	(590)	(259)	+127.8%
Profit for the year	2,753	1,919	+43.5%
Profit attributable to the ordinary shareholder	2,457	1,613	+52.3%
Dividend declared	1,300	–	n/m
Key financial ratios			
EBITDA Margin	44.9%	39.5%	
Total debt/capital ratio ¹	64%	56%	
Net debt/net capital ratio ²	54%	48%	
Key traffic summary³			
Passenger traffic ⁴ <i>(millions of passengers)</i>	54.9	45.2	+21.6%
Cargo and airmail throughput ⁵ <i>(millions of tonnes)</i>	5.0	4.5	+10.3%
Aircraft movements <i>(thousands)</i>	373	310	+20.5%

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 Key traffic summary 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 transshipment cargo. Transshipment cargo is counted twice. Airmail throughput includes airmail from Hongkong Post and transit mail from airlines.

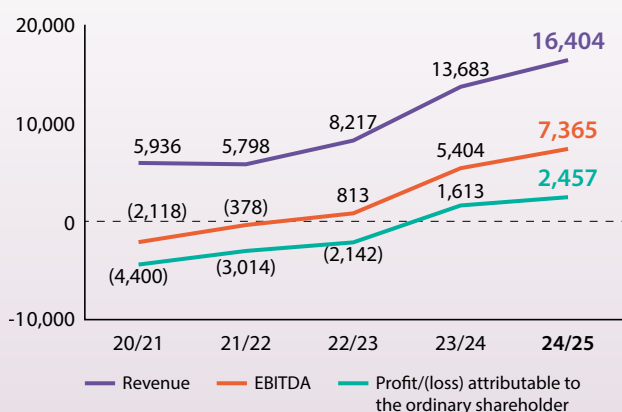
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Overview

Airport Authority Hong Kong (AAHK) delivered a solid financial performance in fiscal 2024/25, ended 31 March 2025.

Financial Results

(in HK\$ million)

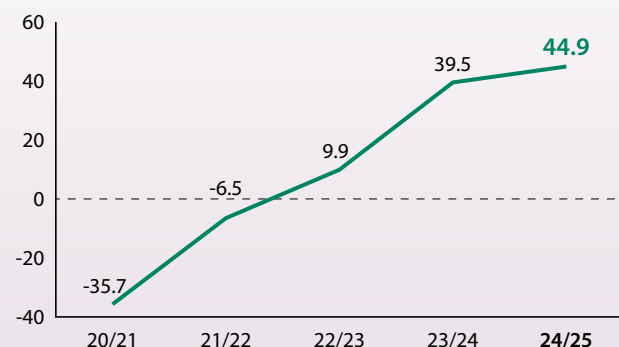


During the year, Hong Kong International Airport (HKIA) welcomed 54.9 million passengers and handled 373,050 flight movements, representing annual increases of 21.6% and 20.5%, respectively. Cargo and airmail throughput rose 10.3%, to 5.0 million tonnes, due to strong e-commerce demand.

These results, coupled with higher revenues from airport and security charges, airside support services franchises, and retail concessions, helped AAHK and its subsidiaries (the Group) deliver a sound financial performance in 2024/25. The Group reported earnings before interest, taxes, depreciation and amortisation (EBITDA) of HK\$7,365 million and profit attributable to the ordinary shareholder of HK\$2,457 million, representing an improvement of 36.3% and 52.3%, respectively, from the previous fiscal year. The Board declared a dividend of HK\$1,300 million for the fiscal year.

EBITDA Margin

(in percent)



Revenue

As travellers returned, passenger traffic and flight movements increased in 2024/25. Total revenue grew 19.9%, to HK\$16,404 million, largely as a result of increased passenger traffic, flight movements and cargo throughput, coupled with higher revenue from airport and security charges, airside support services franchises and retail concessions. Major revenue categories include aeronautical revenue consisted of airport and security charges, and revenues from aviation security services; and non-aeronautical revenue consisted of revenues from airside support services franchises, retail licences and advertising; other terminal commercial revenue; and convention and exhibition revenue.

Aeronautical revenue

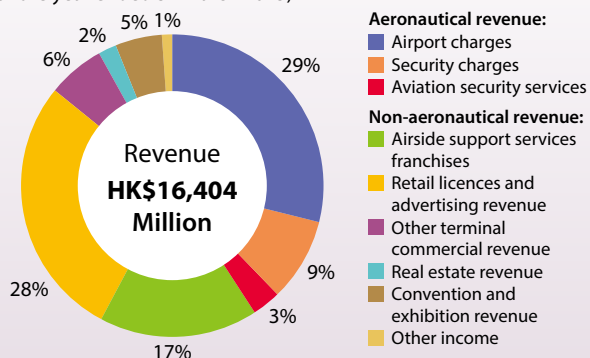
Aeronautical revenue for 2024/25 was HK\$6,714 million, with growth in line with traffic recovery.

Airport and security charges primarily consist of income in connection with the landing and parking of aircraft; use of passenger terminal buildings and related facilities and services at HKIA; and aviation security services provided to departing passengers. This category, representing 38.1% of total revenue, grew 20.2%, to HK\$6,257 million, primarily due to an increase in departing passenger traffic and passenger flight movements. Moreover, the significant rebound in passenger traffic resulted in a corresponding increase in passenger-based terminal building charge and passenger security charge revenue.

Financial Review

Revenue by Source

(for the year ended 31 March 2025)



Aviation security services revenue is primarily income from the provision of security services to airlines, franchisees and licensees. This category, representing 2.8% of total revenue, grew 11.5%, to HK\$457 million, primarily due to the an increase in passenger traffic and flight movements.

Non-aeronautical revenue

Non-aeronautical revenue for 2024/25 was HK\$9,690 million, an increase of 20.1% from 2023/24. Non-aeronautical revenue represent 59.1% of the Group's revenue.

Retail licences and advertising revenue represents rents and fees payable to AAHK by licensees providing retail services (primarily duty-free and general merchandise shops), food and beverage outlets, and advertising at HKIA. This category, representing 28.5% of total revenue, grew 18.7%, to HK\$4,674 million. This increase was mainly a result of the passenger traffic growth at HKIA.

Revenues from airside support services franchises primarily represents licence fees and other charges payable to AAHK by franchisees for providing airside support services such as air cargo handling, aircraft maintenance, the aviation fuel system, into-plane fuelling, aircraft catering, aircraft ramp handling, business aviation aircraft handling, airside vehicle parking permits, ground support equipment maintenance, etc. This category, representing 16.8% of total revenue, rose 19.4%, to HK\$2,755 million, mainly due to higher franchise fees from air cargo, aircraft catering, aircraft ramp handling and the

aviation fuel system, resulting from the increase in flight movements at HKIA, as well as the full-year operations of Cainiao Smart Gateway in HKIA's South Cargo Precinct.

Other terminal commercial revenue mainly represents income from leasing offices, airport lounges and check-in counters to airlines and other tenants. This category, representing 5.8% of total revenue, increased 43.0%, to HK\$948 million, largely due to the opening of new airline lounges and the reduction in rental relief for offices and lounges in the terminals.

Convention and exhibition revenue mainly represents event services and licence income from AsiaWorld-Expo. This category, representing 4.6% of total revenue, increased 10.8%, to HK\$748 million, mainly due to the growth in the rental income from exhibition halls and meeting rooms.

Operating Expenses

The Group continues to exercise stringent financial discipline to control its operating expenses, while maintaining the highest standards of safety, security, service and sustainability. Total operating expenses before depreciation and amortisation increased 9.2%, to HK\$9,039 million, mainly due to traffic growth and inflationary pressures.

Major expense categories were staff costs and related expenses; operational contracted services; repairs and maintenance; government services; other operating expenses; and depreciation and amortisation, which accounted for approximately 95.1% of total operating expenses. About 40.2% of the Group's total operating expenses relate to depreciation and amortisation, government services, and government rent and rates. These are costs over which the Group has limited control.

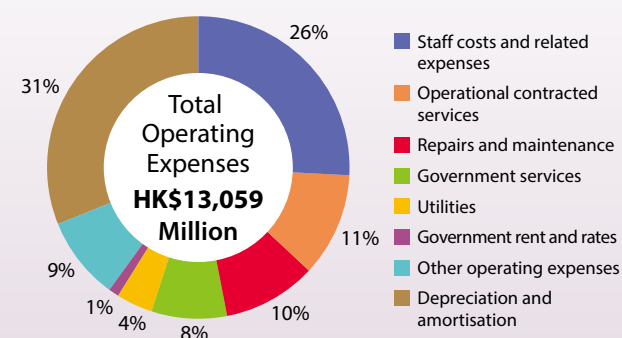
Staff costs and related expenses consists primarily of base salaries, housing and other allowances, performance-related compensation and retirement benefits. This category, representing 26.0% of total operating expenses, increased 8.7%, to HK\$3,401 million, mainly due to adjustments to ensure the market competitiveness of employees' remuneration and an increase in staff numbers to cope with traffic growth.

Operational contracted services represents costs for operations outsourced to third-party contractors. This category, representing 11.1% of total operating expenses, increased 24.6%, to HK\$1,449 million, largely due to traffic growth and higher costs as a result of contracts renewed during the year.

Repairs and maintenance costs consists primarily of plant and equipment maintenance expenses, refurbishment expenses, and consumables and supplies expenses. This category, representing 9.8% of total operating expenses, grew 9.6%, to HK\$1,275 million, principally due to the commissioning of the Three-runway System (3RS), and additional work on the airfield and terminals to ensure safe and reliable operations amid increased traffic.

Operating Expenses by Category

(for the year ended 31 March 2025)



Government services expense includes air traffic control and aviation meteorological fees payable to the Civil Aviation Department and the Hong Kong Observatory, respectively. This category, representing 8.0% of total operating expenses, increased 12.8%, to HK\$1,048 million, mainly due to a higher air traffic control fees as a result of increased flight movements.

Other operating expenses, representing 9.4% of total operating expenses, decreased 9.2%, to HK\$1,224 million, mainly attributable to the reversal of a loss allowance for trade receivable due from an airline.

Depreciation and amortisation, representing 30.8% of total operating expenses, increased 5.3%, to HK\$4,020 million, mainly due to the completion of expansion and improvement projects for facilities and systems during the fiscal year.

Mainland Airports

During the year, the Mainland airports in which AAHK has an investment experienced strong growth in passenger traffic.

In calendar 2024, passenger traffic and flight movements at Hangzhou Xiaoshan International Airport (HXIA) rose 16.7% and 6.6%, respectively, to 48.1 million and 320,000. Cargo throughput fell 9.2%, to 735,000 tonnes. In 2024/25, AAHK's share of HXIA's loss decreased to HK\$192 million, largely due to the strong traffic growth.

In calendar 2024, passenger traffic at Zhuhai Airport jumped 13.2%, to 13.0 million, flight movements grew 5.7%, to 90,932, while cargo throughput fell 2.5%, to 34,252 tonnes. In 2024/25, AAHK's share of Zhuhai Airport's profit decreased 13.1% to HK\$40 million, which was largely due to a decrease in non-aeronautical revenue and an increase in operating expenses.

Financial Position

The Group's financial position remains strong and well capitalised, and the Group's total equity amounted to HK\$92,090 million as at 31 March 2025.

Investment property, interest in leasehold land, and other property, plant and equipment amounted to HK\$215,669 million, which accounted for 76.8% of total assets. The Group incurred capital expenditures of HK\$29,307 million during 2024/25, mainly related to the 3RS project; construction of the automated car parks and the Airportcity Link; and enhancements to other facilities and systems.

Intangible assets of HK\$22 million represented the unamortised cost of the right to operate and manage Zhuhai Airport for a period of 20 years, starting in 2006.

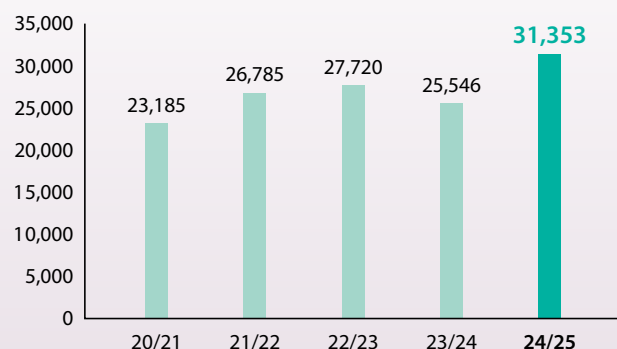
Interests in joint ventures of HK\$3,091 million represented the Group's effective interest in the net assets of HXIA and the Shanghai Hong Kong Airport Management Co., Ltd., plus associated goodwill.

Trade and other receivables increased 84.4%, to HK\$7,224 million, primarily due to the prepayment of HK\$2,300 million for the acquisition of Zhuhai Airport Group Limited.

Financial Review

Capital Expenditures Payments

(in HK\$ million)



Total trade and other payables dropped 20.9%, to HK\$17,528 million, mainly attributable to a decrease in construction costs payable.

Unused airport construction fee (ACF) of HK\$934 million represented the balance of the ACF received and receivable that has not yet been used to fund 3RS construction costs. The ACF received and receivable rose from HK\$2,375 million in 2023/24 to HK\$2,892 million this year, mainly due to the increase in passenger traffic.

Deferred income of HK\$1,693 million mainly represented amounts received in advance in respect of subleases of leasehold land at HKIA.

Dividend

A dividend of HK\$1,300 million payable to the Hong Kong SAR Government was declared by the Board subsequent to the financial year-end. The payout amount represents approximately 52.9% of the Group's distributable profit to shareholder for 2024/25. It is the first dividend payment since 2014/15, when AAHK began retaining all operating surpluses to finance the 3RS project.

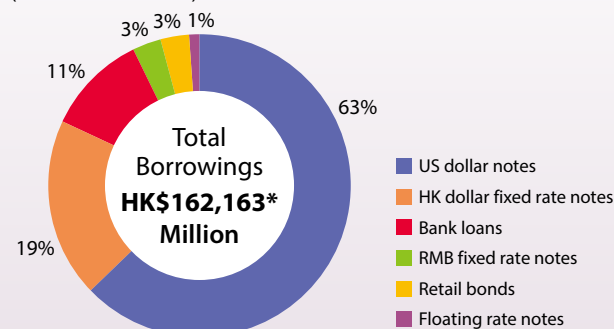
Cash Flow

Net cash generated from operating activities increased from HK\$4,422 million in 2023/24 to HK\$6,944 million this year, mainly due to the improvement in operating results. Payments for capital expenditures increased from HK\$25,546 million in 2023/24 to HK\$31,353 million, mainly related to the 3RS project.

Financing

Loan Facilities and Bond Issuances

(as at 31 March 2025)



* After unamortised finance costs of HK\$704 million.

The Group's total borrowings as at 31 March 2025 amounted to HK\$162,163 million (2023/24: HK\$111,669 million), which consisted of loans, bonds and perpetual capital securities.

In June 2024, AAHK issued RMB1.5 billion 10-year fixed rate notes under its US\$8 billion Medium Term Note Programme. It is AAHK's debut foray into the offshore renminbi bond market. It also marks the first 10-year offshore renminbi bond in the public bond market from a Hong Kong corporate issuer. The notes were well-received by investors including banks, asset managers, private banks and securities firms, with a peak subscription rate of over eight times. The bond issuance further diversifies AAHK's funding channels and investor base, and helps to foster the development of the offshore renminbi bond market in Hong Kong.

In January 2025, AAHK issued around US\$7 billion equivalent multi-tranche fixed rate notes, comprising:

- 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%.

At the time of issuance, the aggregate amount represented the largest ever public bond offering from a Hong Kong issuer and the longest ever Hong Kong dollar bond issued globally. The notes were well-received by investors including sovereign wealth funds, asset managers, corporations, banks and insurance companies, with a combined peak oversubscription rate of 3.7 times.

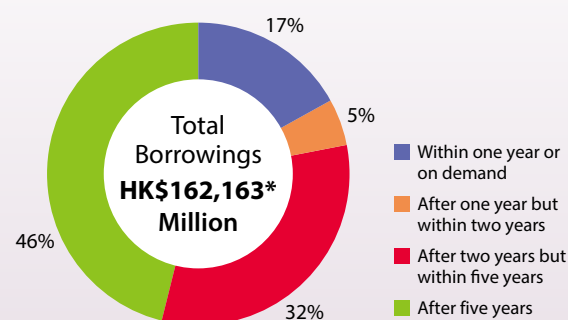
The net proceeds from the notes will be used to refinance existing indebtedness, to fund capital expenditure and investments, and for general corporate purposes.

The Group repaid HK\$5,000 million of Hong Kong dollar notes upon maturity in 2024/25. The external financing for the 3RS project was completed in 2024/25. With the recovery of traffic at HKIA and the reduction in capital expenditure following the commissioning of the 3RS, the Group's net borrowings are expected to stabilise and gradually decline over the medium term.

AAHK maintained its credit rating for the year. S&P Global, Inc., re-affirmed the rating of AAHK's long-term local and foreign currency debt as AA+, the same rating assigned to the Hong Kong SAR Government's debt.

Loan Maturity Profile

(as at 31 March 2025)



* After unamortised finance costs of HK\$704 million.

Financial Risk Management

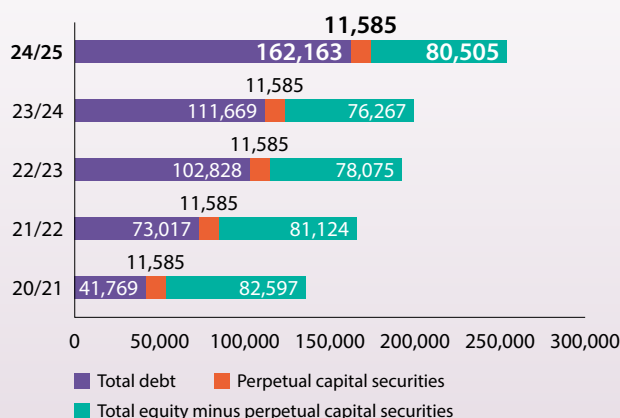
AAHK manages its financial risks with a variety of instruments and techniques, including spreading its borrowings over different rollover and maturity dates. Financial instruments, such as interest rate swaps, cross-

currency swaps and forward exchange contracts, are also used to hedge AAHK's financial risks. In accordance with approved policy, AAHK adopts measures to maintain an appropriate mix of fixed and floating rate borrowings to reduce the impact of interest rate fluctuations on earnings.

AAHK is exposed to renminbi movements as a result of its investment in Mainland, cash and bank balances and external borrowings denominated in this currency. AAHK is also exposed to United States dollar movements from trade and other receivables, as well as cash and bank balances and external borrowings denominated in this currency. However, external borrowings in United States dollars have been swapped into Hong Kong dollars, while revenues and expenditures at AAHK are largely denominated in Hong Kong dollars.

Capital Structure

(in HK\$ million)



Outlook

Air traffic at HKIA achieved remarkable growth in 2024/25, and flight movements were close to pre-pandemic levels. Despite challenges, air traffic is expected to continue to grow. Various initiatives, including the Air Network Development Programme, offer incentives to airlines starting new routes or increasing frequencies to HKIA. We also collaborate with destination authorities to develop new air services.

Financial Review

AAHK is committed to the long-term growth of Hong Kong's aviation industry and to strengthening HKIA's status as an international aviation hub. With completion of the Centre Runway reconfiguration, the 3RS — which is the foundation of HKIA's long-term development — was commissioned. Despite Covid-19 and shortages of material and labour, the 3RS was completed on time and within budget. Other 3RS-related works, including Terminal 2, are scheduled to be commissioned in phases starting in late 2025/26. The 3RS increases the airport's annual capacity to 120 million passengers and 10 million tonnes of cargo.

With the added capacity provided by the 3RS, we are also expanding HKIA's functionality to transform HKIA into an Airport City. SKYTOPIA, which is the new brand for HKIA's expanded Airport City blueprint, will leverage the land and marine resources near HKIA to develop a world-class destination that integrates commerce, art trading, entertainment and leisure. The development will feature Hong Kong's first art hub, Hong Kong's largest marina (which includes around 600 yacht berths), a marine resort and Hong Kong's largest aquatic entertainment area. It also includes Phase 2 of AsiaWorld-Expo, which will feature Hong Kong's largest indoor arena with seating for 20,000. SKYTOPIA will be a commercial and tourism landmark for local visitors, as well as guests from the Greater Bay Area (GBA) and international markets. SKYTOPIA will also drive the economic development of Hong Kong and the GBA.

As the world's busiest cargo airport and the international cargo gateway for the GBA, we will continue to work closely with government authorities and our business partners to strengthen HKIA's position. In response to the rapid rise of e-commerce, various initiatives are progressing at HKIA. The Transit Mail Centre, which handles mail and e-commerce shipments from the Mainland to overseas destinations, is expected to commence operations in 2025. The development of United Parcel Service's express cargo hub at HKIA is underway. This facility is expected to open in 2028 with an annual capacity of nearly 1 million tonnes. To enhance connectivity with the GBA, HKIA launched a pilot scheme for sea-air intermodal cargo transshipments between Dongguan and HKIA. Cargo volumes handled by the scheme continue to grow. Following the successful launch of the pilot scheme, a permanent facility for this service at HKIA Dongguan Logistics Park is expected to be fully operational in 2027. We also collaborate closely

with authorities in Hong Kong and the Mainland to streamline transshipment procedures at the Hong Kong-Zhuhai-Macao Bridge (HZMB). We implemented the 'Fly-Via-Zhuhai' model for trial shipments this year. We will continue to work tirelessly with the air cargo community to further strengthen HKIA's competitiveness as a global cargo hub and foster our business partners' development.

Besides cargo, we are committed to strengthening intermodal connectivity and cross-boundary services between HKIA and the GBA for passengers. Two automated car parks in the Hong Kong Port of the HZMB, "Park & Fly" and "Park & Visit", will provide added convenience for passengers and visitors arriving from the GBA on the HZMB.

We continue to use innovative technology to improve the passenger experience and enhance operational efficiency. We launched a smart security screening system, which lets passengers keep electronic devices, liquids and gels in their carry-on luggage during security screening, enhancing the passenger experience and boosting screening efficiency. We also introduced the world's first Smartphone Express Bag Drop Service, which allows passengers to check in and validate their travel documents via smartphone. We also extended the use of Flight Token to Shanghai Hongqiao International Airport for Hong Kong residents with Mainland Travel Permits. Further advancements are planned, including the development of the Airportcity Link — the first autonomous mass transportation system in Hong Kong — which will connect the airport island to the Hong Kong Port of the HZMB. The Airport Tung Chung Link, which is a dedicated route for autonomous vehicles between SKYTOPIA and Tung Chung town centre, is expected to be complete in 2028/29.

The commissioning of the 3RS starts a new phase in HKIA's development. With commissioning of this new infrastructure in the early phase, we expect our medium-term profit will be impacted by the increase in depreciation and interest expenses. We will apply prudent financial discipline to control operating expenses and capital expenditures, while maintaining the highest standards of safety, security, service and sustainability. We are confident HKIA will continue to fulfil passengers' expectations, create value for our stakeholders and drive the economic development of Hong Kong and the GBA in the long term.

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Report of the Members of the Board

Financial year ended 31 March 2025

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 2025.

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 2025 and the Group's financial position as at that date are set out in the Financial Statements on pages 99 to 162.

Dividend

The Ordinance provides that AAHK may pay dividends on its shares and that the Financial Secretary may, after taking into account the financial position of the Group, direct AAHK to pay dividends out of the distributable profits of AAHK. After the suspension of dividend payments to preserve capital for the purpose of funding the Three-runway System project, a final dividend of HK\$1,300 million was declared and paid for the year 2024/25.

Reserves

Movements in reserves during the year are set out in the Consolidated Statement of Changes in Equity on page 102.

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\$3,481 million (2023/24: HK\$2,855 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 2025 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 163.

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 2025.

Donations

Donations made during the year amounted to HK\$727,000 (2023/24: HK\$656,000), 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	23%	
Top five customers	40%	
The largest supplier		21%
Top five suppliers		34%

Purchases are exclusive of supplies of a capital nature.

Going Concern

The financial statements on pages 99 to 162 have been prepared on a going concern basis. The Board has approved AAHK's budget for 2025/26 and the business plan and financial plan for 2025/26 to 2029/30 and is satisfied that AAHK has sufficient resources to continue as a going concern for the foreseeable future.

Retirement Schemes

Details with regard to 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 53 to 77.

Employees

As of 31 March 2025, AAHK, excluding its subsidiaries, had 3,109 staff, including 2,070 male and 1,039 female staff (31 March 2024: 2,902). 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 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 Jack So Chak-kwong, who has been Chairman since 1 June 2015, retired on 31 May 2024
- Mr Fred Lam Tin-fuk, who has been Chief Executive Officer since 1 October 2014, stepped down on 31 May 2024. On 1 June 2024, he was appointed as Chairman for a term of three years
- Mrs Vivian Cheung Kar-fay, who has been the Acting Chief Executive Officer since 1 June 2024, was appointed as Chief Executive Officer on 7 April 2025
- Mr Adrian Wong Koon-man, after serving on the Board for six years, retired on 31 May 2024
- Prof Dorothy Chan Yuen Tak-fai, Mrs Ann Kung Yeung Yun-chi and the Hon Perry Yiu Pak-leung were appointed to the Board for a term of three years, from 1 June 2024 to 31 May 2027
- Ms Florence Chung Wai-yee, former Executive Director, Human Resources & Administration, retired on 6 October 2024

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 2025, 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, 26 May 2025

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 99 to 162, which comprise the consolidated statement of financial position as at 31 March 2025, 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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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") 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") and we have 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
<p>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 2025.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures to assess the recognition of revenue from airport and security charges and franchise and licence operations included the following:</p> <ul style="list-style-type: none"> 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	
<i>Refer to note 26(b)(ii) to the consolidated financial statements and notes 28(g)(vi) and 28(s) for the relevant accounting policies</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures to assess project provisions for capital works projects included the following:</p> <ul style="list-style-type: none"> • 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 2024 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 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 HKSA's 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 HKSA's, 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 Lee Wai Shun, Wilson (practising certificate number: P04961).

KPMG

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

26 May 2025

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025 (Expressed in Hong Kong dollars)

\$ million	Note	2025	2024
Airport charges		4,725	3,970
Security charges		1,532	1,234
Aviation security services		457	410
Airside support services franchises		2,755	2,308
Retail licences and advertising revenue		4,674	3,937
Other terminal commercial revenue		948	663
Real estate revenue		319	289
Convention and exhibition revenue		748	675
Other income		246	197
Revenue	8	16,404	13,683
Staff costs and related expenses	4	(3,401)	(3,130)
Repairs and maintenance		(1,275)	(1,163)
Operational contracted services		(1,449)	(1,163)
Government services		(1,048)	(929)
Government rent and rates		(178)	(118)
Utilities		(464)	(428)
Other operating expenses		(1,224)	(1,348)
Operating expenses before depreciation and amortisation		(9,039)	(8,279)
Operating profit before depreciation and amortisation		7,365	5,404
Depreciation and amortisation		(4,020)	(3,817)
Operating profit before interest and finance costs	3	3,345	1,587
Interest and finance costs:			
Finance costs	5	(547)	(366)
Interest income		736	1,464
		189	1,098
Share of results of joint ventures	12	(191)	(507)
Profit before taxation		3,343	2,178
Income tax expense	6(a)	(590)	(259)
Profit for the year		2,753	1,919
Attributable to:			
Equity holders of the Authority			
– Holder of ordinary shares		2,457	1,613
– Holders of perpetual capital securities		263	264
		2,720	1,877
Non-controlling interests		33	42
Profit for the year		2,753	1,919

The notes on pages 105 to 162 form part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025 (Expressed in Hong Kong dollars)

<i>\$ million</i>	2025	2024
Profit for the year	2,753	1,919
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	(19)	59
Add/(less): deferred tax	3	(10)
	(16)	49
– subsidiaries	(2)	(9)
– a joint venture	(9)	(13)
	(27)	27
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries and joint ventures	(47)	(227)
Cash flow hedge: net movement in the hedging reserve	(739)	(371)
Add: deferred tax	122	61
Cash flow hedge: net movement in the cost of hedging reserve	2,325	(3,542)
(Less)/add: deferred tax	(384)	585
Net investment hedge	5	–
	1,282	(3,494)
Other comprehensive income for the year	1,255	(3,467)
Total comprehensive income for the year	4,008	(1,548)
Attributable to:		
Equity holders of the Authority		
– Holder of ordinary shares	3,719	(1,837)
– Holders of perpetual capital securities	263	264
	3,982	(1,573)
Non-controlling interests	26	25
Total comprehensive income for the year	4,008	(1,548)

The notes on pages 105 to 162 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 March 2025 (Expressed in Hong Kong dollars)

<i>\$ million</i>	Note	2025	2024
Non-current assets			
Investment property	9	45	47
Interest in leasehold land	9	21,492	5,769
Other property, plant and equipment	9	194,132	186,525
		215,669	192,341
Intangible assets	10	22	37
Interests in joint ventures	12	3,091	3,324
Net defined benefit plan asset	19	25	56
Trade and other receivables	13	3,451	11
Derivative financial assets	22(e)	47	244
		222,305	196,013
Current assets			
Stores and spares		138	127
Trade and other receivables	13	3,773	3,906
Tax recoverable	6(c)	2	325
Derivative financial assets	22(e)	104	641
Cash and bank balances	14	54,517	30,628
		58,534	35,627
Current liabilities			
Trade and other payables	15	(16,237)	(20,631)
Interest-bearing borrowings	16	(27,065)	(9,977)
Current taxation	6(c)	(4)	(1)
Unused airport construction fee	17	(934)	(804)
Deferred income	18	(58)	(58)
Derivative financial liabilities	22(e)	(53)	(3)
		(44,351)	(31,474)
Net current assets		14,183	4,153
Total assets less current liabilities		236,488	200,166
Non-current liabilities			
Trade and other payables	15	(1,291)	(1,522)
Interest-bearing borrowings	16	(135,098)	(101,692)
Deferred income	18	(1,635)	(1,694)
Derivative financial liabilities	22(e)	(2,648)	(4,525)
Net defined benefit plan obligations	19	(96)	(85)
Deferred tax liabilities	6(d)	(3,630)	(2,796)
		(144,398)	(112,314)
Net assets		92,090	87,852
Capital and reserves	20		
Share capital		30,648	30,648
Reserves		48,960	45,241
Perpetual capital securities	21	11,585	11,585
Total equity attributable to equity holders of the Authority		91,193	87,474
Non-controlling interests		897	378
Total equity		92,090	87,852

Approved and authorised for issue on behalf of the Members of the Board on 26 May 2025.

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 105 to 162 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025 (Expressed in Hong Kong dollars)

\$ million	Note	Attributable to equity holders of the Authority									Non-controlling interests	Total equity
		Share capital	Exchange reserve	Capital reserve	Contribution from the Government	Hedging reserve	Cost of hedging reserve	Retained profits	Perpetual capital securities	Total		
At 1 April 2023		30,648	305	1,157	787	1,041	(690)	44,478	11,585	89,311	349	89,660
Changes in equity for the year:												
Profit for the year		–	–	–	–	–	–	1,613	264	1,877	42	1,919
Other comprehensive income		–	(214)	–	–	(310)	(2,957)	31	–	(3,450)	(17)	(3,467)
Total comprehensive income		–	(214)	–	–	(310)	(2,957)	1,644	264	(1,573)	25	(1,548)
Capital injection from non-controlling interests		–	–	–	–	–	–	–	–	–	4	4
Transfer from retained profits to capital reserve	20(d)(ii)	–	–	28	–	–	–	(28)	–	–	–	–
Distribution to perpetual capital securities holders	21	–	–	–	–	–	–	–	(264)	(264)	–	(264)
At 31 March 2024 and 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		30,648	55	1,224	787	114	(1,706)	48,486	11,585	91,193	897	92,090

The notes on pages 105 to 162 form part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2025 (Expressed in Hong Kong dollars)

\$ million	Note	2025	2024
Operating activities			
Profit before taxation		3,343	2,178
Adjustments for:			
Depreciation		3,408	3,666
Amortisation of interest in leasehold land		597	136
Amortisation of intangible assets		15	15
Interest on notes, bonds and bank loans		4,603	3,835
Interest on lease liabilities		2	2
Other borrowing costs and interest expense		112	107
Borrowing costs capitalised into assets under construction		(3,481)	(2,855)
Interest income		(736)	(1,464)
Net gain on derivative financial instruments in cash flow hedges		(721)	(749)
Share of results of joint ventures		191	507
Reversal of loss allowance for expected credit loss ("ECL") of trade and other receivables		(333)	(95)
Net (gain)/loss on disposals of other property, plant and equipment		(19)	29
Net foreign exchange loss		32	26
Amortisation of deferred income		(59)	(109)
Expenses recognised in respect of defined benefit plans		42	28
Operating profit before changes in working capital		6,996	5,257
(Increase)/decrease in stores and spares		(11)	12
Decrease in trade and other receivables		240	47
Decrease in trade and other payables		(572)	(791)
Decrease in net defined benefit plan obligations		(20)	(32)
Cash generated from operations		6,633	4,493
Hong Kong Profits Tax refunded/(paid)		312	(63)
Corporate Income Tax of the People's Republic of China ("the PRC") paid		(1)	(8)
Net cash generated from operating activities		6,944	4,422
Investing activities			
Net maturity of deposits with banks with over three months of maturity when placed		3,283	9,073
Interest received		1,080	1,255
Dividend received from a joint venture		1	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		(31,353)	(25,546)
Receipts from disposals of other property, plant and equipment		110	1
Payment of annual franchise fee		(36)	(27)
Acquisition of a non-wholly owned subsidiary		2	–
Capital injection from non-controlling interest		–	4
Net cash used in investing activities		(29,232)	(15,239)

Consolidated Cash Flow Statement

<i>\$ million</i>	Note	2025	2024
Financing activities			
Interest paid on notes, bonds and bank loans	14(b)	(4,029)	(3,693)
Interest element of lease rentals paid	14(b)	(2)	(2)
Other borrowing costs and interest expense paid	14(b)	(235)	(69)
Capital element of lease rentals paid	14(b)	(46)	(28)
Airport construction fee ("ACF") received	14(b)	2,780	2,528
Receipts from issue of notes, bonds and drawdown of new bank loans	14(b)	61,610	9,000
Repayment of notes, bonds and bank loans	14(b)	(11,085)	–
Net interest income received on interest rate swaps and cross currency swaps	14(b)	733	769
Distribution paid on perpetual capital securities	21	(263)	(264)
Net cash generated from financing activities		49,463	8,241
Net increase/(decrease) in cash and cash equivalents		27,175	(2,576)
Cash and cash equivalents at beginning of year		4,441	7,030
Effect of foreign exchange rate changes		(3)	(13)
Cash and cash equivalents at end of year	14(a)	31,613	4,441

The notes on pages 105 to 162 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

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 all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong 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 amendments to 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).

(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.

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

(b) Basis of preparation of the consolidated financial statements (continued)

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.

3. Operating Profit Before Interest and Finance Costs

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

<i>\$ million</i>	2025	2024
Auditors' remuneration:		
– audit services	6	6
– tax services	1	1
– other services	2	1
Stores and spares expensed	67	69
Net (gain)/loss on disposals of other property, plant and equipment	(19)	29
Reversal of loss allowance for ECL of trade and other receivables (note 13(b))	(333)	(95)
Depreciation:		
– owned assets leased out under operating leases (note 9(d))	229	242
– right-of-use assets	47	29
– other assets	3,132	3,395
Amortisation:		
– interest in leasehold land		
– leased out under operating leases (note 9(d))	10	20
– others	587	116
– intangible assets (note 10)	15	15
Expense relating to short-term leases and low-value assets	6	2
Rentals from investment property less direct outgoings of \$31 million (2024: \$26 million)	(1)	(3)

4. Staff Costs and Related Expenses

<i>\$ million</i>	2025	2024
Contributions to defined contribution retirement plans	194	167
Expenses recognised in respect of defined benefit plans (note 19)	42	28
Total retirement costs	236	195
Salaries, wages and other benefits	4,360	4,013
Total staff costs and related expenses	4,596	4,208
Less: staff costs and related expenses capitalised into assets under construction	(1,195)	(1,078)
	3,401	3,130

5. Finance Costs

<i>\$ million</i>	2025	2024
Interest on bank loans	965	942
Interest on notes and bonds	3,638	2,893
Interest on lease liabilities	2	2
Other borrowing costs	82	103
Other interest expense	30	4
Total interest expense	4,717	3,944
Net foreign exchange loss	32	26
Net gain on derivative financial instruments in cash flow hedges	(721)	(749)
Less: borrowing costs capitalised into assets under construction	(3,481)	(2,855)
	547	366

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 3.18% (2024: 3.01%) per annum.

6. Taxation

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

<i>\$ million</i>	2025	2024
Current tax – Hong Kong Profits Tax		
– provision for the year	9	7
Current tax – PRC Corporate Income Tax		
– provision for the year	6	1
Deferred tax (note 6(d))		
– origination and reversal of temporary differences	575	251
Income tax expense	590	259

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 PRC Corporate Income Tax is calculated at 25% (2024: 25%) of the estimated assessable profits for the year.

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

<i>\$ million</i>	2025	2024
Profit before taxation	3,343	2,178
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	587	459
Tax effect of non-deductible expenses	105	31
Tax effect of non-taxable income	(150)	(242)
Tax effect of tax loss and other temporary differences not recognised	48	10
Tax effect of temporary differences previously not recognised	1	4
Utilisation of tax losses previously not recognised	(1)	(3)
Actual tax expense	590	259

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

<i>\$ million</i>	2025	2024
Provision for the year (note 6(a))		
– Hong Kong Profits Tax	9	7
– PRC Corporate Income Tax	6	1
Provisional Hong Kong Profits Tax paid	(1)	(16)
PRC Corporate Income Tax paid	(1)	(8)
Balance of tax recoverable relating to prior years	(11)	(308)
	2	(324)
Classified in the consolidated statement of financial position as:		
Tax recoverable	(2)	(325)
Current taxation	4	1
	2	(324)

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:

<i>\$ million</i>	Depreciation allowances in excess of the related depreciation and other expenses	Tax loss	Deferred income, defined benefit plan liability and others	Undistributed profits of a joint venture	Total
Deferred tax arising from:					
At 1 April 2023	8,176	(4,866)	(150)	21	3,181
Charged/(credited) to profit or loss	1,531	(1,277)	18	(21)	251
Credited to other comprehensive income	–	–	(636)	–	(636)
At 31 March 2024	9,707	(6,143)	(768)	–	2,796
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

(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 \$374 million (2024: \$227 million) and \$3 million (2024: \$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.

6. Taxation (continued)

(f) Pillar Two income taxes:

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. As at 31 March 2025, the Pillar Two model rules had not been enacted or substantively enacted in any jurisdictions where the group operates. Hong Kong, where the group has substantial operations, is in the process of implementing its Pillar Two income tax legislation. Under this legislation, the group will fall into the scope and be subject to the minimum top-up tax if the applicable effective tax is lower than the minimum tax rate of 15%. Based on the current assessment, the group considers that had the new tax laws been applied for the year ended 31 March 2025, the exposure would not have been material.

7. Emoluments of the Members of the Board, Chief Operating Officer and Executive Directors

Members of the Board, the Chief Executive Officer, Chief Operating 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, Chief Operating 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.

7. Emoluments of the Members of the Board, Chief Operating Officer and Executive Directors (continued)

(a) Emoluments of the Members of the Board

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

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, Chief Operating Officer and Executive Directors (continued)

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

2024 \$'000	Board Member's fee	Basic compensation	Performance- related compensation	Retirement benefits	Total
Members of the Board					
Non-executive Members					
Jack So Chak-kwong ¹	–	–	–	–	–
Sabrina Chao Sih-ming	110	–	–	–	110
Philip Chen Nan-lok	110	–	–	–	110
Rock Chen Chung-nin	110	–	–	–	110
Irene Chow Man-ling	110	–	–	–	110
Laurence Li Lu-jen	110	–	–	–	110
Lo Wai-kwok	110	–	–	–	110
Edwin Tong Ka-hung	110	–	–	–	110
Adrian Wong Koon-man	110	–	–	–	110
William Wong Ming-fung	110	–	–	–	110
Stephen Yiu Kin-wah (appointed in June 2023)	92	–	–	–	92
Secretary for Financial Services and the Treasury ²	110	–	–	–	110
Secretary for Transport and Logistics ²	110	–	–	–	110
Director-General of Civil Aviation ²	110	–	–	–	110
Stuart Thomson Gulliver (retired in May 2023)	18	–	–	–	18
Nisa Bernice Leung Wing-yu (retired in May 2023)	18	–	–	–	18
Executive Member					
Fred Lam Tin-fuk (Chief Executive Officer)	–	6,997	3,461	917	11,375
	1,448	6,997	3,461	917	12,823

¹ Jack So Chak-kwong has donated his Chairman's Fee of \$220,000 as "Jack So Scholarship" to children of Airport Authority employees and therefore no payment has been made to him.

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.

7. Emoluments of the Members of the Board, Chief Operating Officer and Executive Directors (continued)

(b) Emoluments of Chief Operating Officer and Executive Directors

The aggregate of the emoluments of the Chief Operating Officer and Executive Directors of the Authority is as follows:

\$'000	2025	2024
Basic compensation	20,468	24,721
Performance-related compensation	9,062	11,293
Retirement benefits	2,519	3,052
	32,049	39,066

The emoluments of the Chief Operating Officer and Executive Directors of the Authority are within the following bands:

	Number of individuals	
\$	2025	2024
2,500,001 – 3,000,000	1	–
4,500,001 – 5,000,000	1	3
5,000,001 – 5,500,000	1	2
5,500,001 – 6,000,000	2	–
6,000,001 – 6,500,000	–	1
7,000,001 – 7,500,000	–	1
7,500,001 – 8,000,000	1	–
	6	7

During the year, the five individuals with the highest emoluments comprise the Acting Chief Executive Officer and four Executive Directors (2024: five individuals comprise the Chief Executive Officer, Chief Operating Officer and three 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:

<i>\$ million</i>	2025	2024
Revenue from contracts with customers within the scope of HKFRS 15		
Airport charges	4,725	3,970
Security charges	1,532	1,234
Aviation security services	457	410
Convention and exhibition revenue	329	298
Others	348	301
	7,391	6,213
Revenue from other sources		
Airside support services franchises	2,644	2,191
Retail licences and advertising revenue	4,674	3,937
Other terminal commercial revenue	948	663
Convention and exhibition revenue	419	377
Others	328	302
	9,013	7,470
	16,404	13,683

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 other parts of the PRC, 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 (2024: 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 \$3,861 million which arose from this customer (2024: \$3,070 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

(a) Reconciliation of carrying amount

\$ million	Other property, plant and equipment										Total
	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	
Cost											
At 1 April 2023	23,005	38,001	19,429	18,709	3,896	111	101,042	204,193	133	11,436	215,762
Exchange adjustments	(1)	(8)	–	(13)	(17)	(2)	(39)	(80)	–	–	(80)
Additions	11	193	35	726	484	45	29,172	30,666	8	–	30,674
Reclassifications	(100)	3,929	1,085	803	(2)	–	(5,712)	3	(3)	–	–
Disposals	(95)	(1)	(22)	(135)	(49)	(2)	–	(304)	–	–	(304)
At 31 March 2024	22,820	42,114	20,527	20,090	4,312	152	124,463	234,478	138	11,436	246,052
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
Accumulated depreciation, amortisation and impairment											
At 1 April 2023	6,500	16,598	9,776	9,178	2,468	60	–	44,580	85	5,531	50,196
Exchange adjustments	–	(3)	–	(3)	(7)	–	–	(13)	–	–	(13)
Charge for the year	344	1,065	606	958	658	29	–	3,660	6	136	3,802
Written back on disposals	(95)	(1)	(22)	(106)	(49)	(1)	–	(274)	–	–	(274)
At 31 March 2024	6,749	17,659	10,360	10,027	3,070	88	–	47,953	91	5,667	53,711
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
Net book value											
At 31 March 2025	11,189	27,818	12,545	8,776	1,383	58	132,363	194,132	45	21,492	215,669
At 31 March 2024	16,071	24,455	10,167	10,063	1,242	64	124,463	186,525	47	5,769	192,341

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

- (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 \$27,224 million (2024: \$11,436 million) have been classified as interest in leasehold land. The costs of interest in leasehold land do not include future land premium.

(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 2025 calculated by reference to net rental income allowing for reversionary income potential amounted to \$596 million (2024: \$542 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	2025	2024
Within one year	3,143	2,710
After one but within five years	7,960	6,837
After five years	8,689	8,017
	19,792	17,564

During the year, \$8,849 million (2024: \$7,321 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 \$5,705 million (2024: \$4,642 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 2025 was \$459 million (2024: \$514 million) with annual amortisation amounting to \$10 million (2024: \$20 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 2025 was \$4,671 million (2024: \$3,985 million) with annual depreciation amounting to \$229 million (2024: \$242 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 \$5 million. A similar review undertaken during the previous year resulted in a net increase in the group's annual depreciation charge of \$124 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

<i>\$ million</i>	2025	2024
Cost		
At 1 April	299	315
Exchange adjustments	(3)	(16)
At 31 March	296	299
Accumulated amortisation		
At 1 April	262	260
Exchange adjustments	(3)	(13)
Charge for the year	15	15
At 31 March	274	262
Net book value		
At 31 March	22	37

As at 31 March 2025 and 2024, 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.

Name of company	Place of incorporation and operation/ establishment	Particulars of issued and paid up ordinary share capital/ registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Authority	Held by a subsidiary	
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))	PRC	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))	PRC	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.

<i>\$ million</i>	2025	2024
NCI percentage	45%	45%
Non-current assets	380	440
Current assets	598	450
Non-current liabilities	(102)	(83)
Current liabilities	(234)	(227)
Net assets	642	580
Carrying amount of NCI	289	261
Revenue	722	730
Profit for the year	73	84
Total comprehensive income for the year	70	80
Profit for the year allocated to NCI	33	38
Total comprehensive income for the year allocated to NCI	31	36

(b) DGLPI

In June 2024, the group acquired a 60% equity interest in DGLPI through capital injection of \$739 million and the NCI acquired the remaining equity interest of DGLPI through the injection of net assets of \$493 million, including interest in leasehold land and other property, plant and equipment. 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.

<i>\$ million</i>	2025
NCI percentage	40%
Non-current assets	1,051
Current assets	475
Non-current liabilities	(292)
Current liabilities	(27)
Net assets	1,207
Carrying amount of NCI	483
Revenue	5
Loss for the year	(27)
Total comprehensive income for the year	(27)
Loss for the year allocated to NCI	(11)
Total comprehensive income for the year allocated to NCI	(11)

12. Interests in Joint Ventures

<i>\$ million</i>	2025	2024
Share of net assets	2,885	3,116
Goodwill	206	208
	3,091	3,324

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:

Name of joint venture	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up registered capital	Proportion of ownership interest		Principal activity
				Group's effective interest	Held by the Authority	
Hangzhou Xiaoshan International Airport Co., Ltd. ("HXIA")	Incorporated	PRC	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	PRC	RMB100 million	49%	49%	Management and operation of the terminals at Hongqiao International Airport, Shanghai ("HIA")

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.

(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, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

<i>\$ million</i>	2025	2024
Gross amounts of HXIA		
Non-current assets	28,176	29,497
Current assets	2,461	2,259
Non-current liabilities	(15,215)	(15,525)
Current liabilities	(7,338)	(7,487)
Net assets/equity	8,084	8,744

12. Interests in Joint Ventures (continued)

(a) HXIA (continued)

<i>\$ million</i>	2025	2024
Income	3,144	2,523
Expenses	(3,687)	(3,944)
Loss before taxation	(543)	(1,421)
Income tax	(5)	(31)
Loss after taxation	(548)	(1,452)
Other comprehensive income	(26)	(36)
Total comprehensive income	(574)	(1,488)
<i>\$ million</i>	2025	2024
Reconciled to the group's interest in HXIA		
Gross amounts of HXIA's net assets	8,084	8,744
Group's effective interest	35%	35%
Group's share of HXIA's net assets	2,829	3,060
Goodwill	206	208
Carrying amount in the consolidated financial statements	3,035	3,268

The movements in (accumulated losses)/retained profits during the year are as follows:

<i>\$ million</i>	2025	2024
Share of loss after taxation	(192)	(508)
Share of other comprehensive income	(9)	(13)
Less: transfer to capital reserve	(26)	(26)
Share of loss and other comprehensive income to be retained	(227)	(547)
Share of retained profits brought forward from previous years	145	692
Share of (accumulated losses)/retained profits carried forward to next year	(82)	145

The movements in capital reserve during the year are as follows:

<i>\$ million</i>	2025	2024
At 1 April	1,072	1,046
Transfer from (accumulated losses)/retained profits	26	26
At 31 March	1,098	1,072

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

<i>\$ million</i>	2025	2024
Contracted for	2,824	2,502
Authorised but not contracted for	9,352	11,620
	12,176	14,122

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.

Summarised financial information of SHKAM, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

<i>\$ million</i>	2025	2024
Gross amounts of SHKAM		
Current assets	123	125
Current liabilities	(9)	(10)
Net assets/equity	114	115

<i>\$ million</i>	2025	2024
Income	11	12
Expenses	(8)	(9)
Profit before taxation	3	3
Income tax	(1)	(1)
Net profit and other comprehensive income	2	2

<i>\$ million</i>	2025	2024
Reconciled to the group's interest in SHKAM		
Gross amounts of SHKAM's net assets	114	115
Group's effective interest	49%	49%
Group's share of SHKAM's net assets and carrying amount in the consolidated financial statements	56	56

13. Trade and Other Receivables

<i>\$ million</i>	2025	2024
Trade debtors	3,417	3,955
Less: loss allowance (note 13(b))	(654)	(987)
	2,763	2,968
Other debtors	359	675
	3,122	3,643
Advance payments to contractors	330	11
Prepayments	3,727	219
Deposits and debentures	45	44
	7,224	3,917
Classified in the consolidated statement of financial position as:		
Current assets	3,773	3,906
Non-current assets	3,451	11
	7,224	3,917

As at 31 March 2025, 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 \$17 million (2024: \$20 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:

<i>\$ million</i>	2025	2024
Amounts not yet due	2,443	2,478
Less than one month past due	175	362
One to three months past due	93	42
More than three months past due	52	86
	2,763	2,968

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 \$4,399 million (2024: \$4,363 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:

<i>\$ million</i>	2025	2024
At 1 April	987	1,082
Losses reversed and credited to other operating expenses	(333)	(95)
At 31 March	654	987

(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 4% to 92% for debtors 1-30 days past due to 211-240 days past due (2024: 28% to 89% for debtors 1-30 days past due to 211-240 days past due). The Authority usually fully provides for trade receivables aged over 240 days (2024: 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:

<i>\$ million</i>	2025	2024
Deposits with banks within three months of maturity when placed	28,020	2,237
Cash at bank and in hand	3,593	2,204
Cash and cash equivalents in the consolidated cash flow statement	31,613	4,441
Deposits with banks with over three months of maturity when placed	22,904	26,187
Cash and bank balances in the consolidated statement of financial position	54,517	30,628

As at 31 March 2025, cash and bank balances of \$994 million (2024: \$384 million) held by subsidiaries are subject to currency exchange restrictions in the PRC.

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.

<i>\$ million</i>	Interest-bearing borrowings	Interest and other borrowing costs payables and deferred finance charges	Lease liabilities	Airport construction fee 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	–	–	–	(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

14. Cash and Bank Balances and Other Cash Flow Information (continued)**(b) Reconciliation of (assets)/liabilities arising from financing activities: (continued)**

<i>\$ million</i>	Interest-bearing borrowings	Interest and other borrowing costs payables and deferred finance charges	Lease liabilities	Airport construction fee receivable	Total
	(Note 16)		(Note 15)		
At 1 April 2023	102,828	520	63	(763)	102,648
Changes from financing cash flows:					
Interest paid on notes and bank loans	–	(3,693)	–	–	(3,693)
Interest element of lease rentals paid	–	–	(2)	–	(2)
Other borrowing costs and interest expense paid	(33)	(36)	–	–	(69)
Capital element of lease rentals paid	–	–	(28)	–	(28)
ACF received	–	–	–	2,528	2,528
Receipts from issue of notes and bonds	9,000	–	–	–	9,000
Net interest income received on interest rate swaps	–	769	–	–	769
Total changes from financing cash flows	8,967	(2,960)	(30)	2,528	8,505
Non-cash changes:					
Interest on notes, bonds and bank loans (note 5)	–	3,835	–	–	3,835
Interest on lease liabilities (note 5)	–	–	2	–	2
Other borrowing costs (note 5)	–	103	–	–	103
ACF	–	–	–	(2,375)	(2,375)
Other non-cash movements	(126)	(913)	44	–	(995)
Total other changes	(126)	3,025	46	(2,375)	570
At 31 March 2024	111,669	585	79	(610)	111,723

15. Trade and Other Payables

<i>\$ million</i>	2025	2024
Creditors and accrued charges	13,930	18,407
Deposits received	1,158	1,100
Contract retentions	2,368	2,567
Lease liabilities	72	79
	17,528	22,153
Classified in the consolidated statement of financial position as:		
Current liabilities	16,237	20,631
Non-current liabilities	1,291	1,522
	17,528	22,153

As at 31 March 2025, all of the trade and other payables are expected to be settled or recognised as income within one year except for \$1,291 million (2024: \$1,522 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:

<i>\$ million</i>	2025	2024
Due within 30 days or on demand	1,948	2,843
Due after 30 days but within 60 days	1,852	2,588
Due after 60 days but within 90 days	1,466	2,629
Due after 90 days	8,664	10,347
	13,930	18,407

16. Interest-Bearing Borrowings

<i>\$ million</i>	2025	2024
Notes and bonds payable (a)		
– unsecured		
HK dollar fixed rate retail bonds due 2026	4,988	5,000
HK dollar fixed rate notes due 2025 to 2043	31,228	17,728
HK dollar floating rate notes due 2027	1,500	1,500
US dollar notes due 2026 to 2062	102,312	70,430
RMB fixed rate notes due 2034 to 2055	5,039	–
Bank loans		
– secured (d)	300	–
– unsecured (b)	17,500	17,500
Less: unamortised finance costs	(704)	(489)
	162,163	111,669

(a) The Authority maintained a United States (“US”) \$8 billion Medium Term Note programme.

In January 2024, the Authority issued a \$4 billion notes under the US\$8 billion Medium Term programme. These notes are listed on the Hong Kong Stock Exchange with maturity of 3.5 years at annual coupon rate of 3.83%.

In February 2024, the Authority issued a \$5 billion retail bonds. These bonds are listed on the Hong Kong Stock Exchange with maturity of 2.5 years at annual coupon rate of 4.25%, payable every three months in arrear. The retail bonds are redeemable, at the option of holder, at 100% of its principal amount on interest payable date.

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 \$5 billion fixed rate notes in full with annual coupon rates ranging from 2.60% to 2.80% and redeemed \$12 million of its listed retail bonds as some retail bonds holders exercised their early redemption rights.

As at 31 March 2025, the Authority’s outstanding fixed rate notes have annual coupon rates ranging from 1.55% to 5.125% (2024: 1.55% to 4.875%). 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. As at 31 March 2025, there was no outstanding amount under the revolving loan tranche (2024: \$nil).
- (c) As at 31 March 2025, the Authority has uncommitted money market line facilities of \$2,689 million (2024: \$2,691 million). Interest is payable on amounts drawn down at a rate related to HIBOR. As at 31 March 2025, there was no outstanding amount under these facilities (2024: \$nil).
- (d) In June 2024, the group acquired a subsidiary with interest-bearing borrowings of RMB349 million. As at 31 March 2025, interest in leasehold land of \$254 million (2024: \$nil) is pledged as a guarantee for the secured bank loans.
- (e) As at 31 March 2025, the interest-bearing borrowings were repayable as follows:

\$ million	2025			2024		
	Bank loans	Other borrowings	Total	Bank loans	Other borrowings	Total
Within one year or on demand	17,505	9,560	27,065	–	9,977	9,977
After one year but within two years	17	7,760	7,777	17,480	4,604	22,084
After two years but within five years	53	52,404	52,457	–	29,801	29,801
After five years	222	74,642	74,864	–	49,807	49,807
	292	134,806	135,098	17,480	84,212	101,692
	17,797	144,366	162,163	17,480	94,189	111,669

- (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	2025	2024
At 1 April	804	779
Add: ACF received or receivable for the year	2,892	2,375
Less: payment of 3RS capital expenditure	(2,762)	(2,350)
At 31 March	934	804

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.

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 notes 28(t)(v) and 28(t)(ix) respectively.

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 5% (2024: 6%) 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 2025 according to HKAS 19, “*Employee benefits*” prepared by qualified staff of Mercer (Hong Kong) Limited (2024: 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 (2024: 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 19% (2024: 22%) 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 2025 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	2025	2024
The Hong Kong plan asset (note 19(a))	(25)	(56)
The HKZAM plan obligation (note 19(a))	70	70
LSP liabilities in Hong Kong	26	15
	71	29
Classified in the consolidated statement of financial position as:		
Net defined benefit plan asset	(25)	(56)
Net defined benefit plan obligations	96	85
	71	29

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	2025	2024
The Hong Kong plan		
Present value of funded obligations	508	559
Fair value of plan assets	(533)	(615)
	(25)	(56)
The HKZAM plan		
Present value of unfunded obligations	70	70
	45	14

A portion of the above liabilities is expected to be settled after more than one year. The Authority expects to pay \$11 million in contributions to the Hong Kong plan for the year ending 31 March 2026.

(ii) Plan assets consist of the following:

\$ million	2025	2024
Equity securities	218	249
Corporate bonds	277	299
Cash	28	61
Net other receivables	10	6
	533	615

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.

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

\$ million	2025	2024
The Hong Kong plan		
At 1 April	559	641
Remeasurements:	22	4
– Actuarial loss/(gain) arising from changes in financial assumptions	9	(9)
– Experience adjustments	13	13
Benefits paid by the plans	(111)	(127)
Current service cost	20	22
Interest cost	18	19
At 31 March	508	559
The HKZAM plan		
At 31 March	70	70
	578	629

The weighted average durations of the defined benefit obligations for the Hong Kong plan and the HKZAM plan are 3.8 years (2024: 3.9 years) and 8.1 years (2024: 8.0 years) respectively.

19. Employee Benefits (continued)**(a) Defined benefit plans (continued)**

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

<i>\$ million</i>	2025	2024
At 1 April	615	630
Group's contributions paid to the plans	13	32
Benefits paid by the plans	(111)	(127)
Actual return on plan assets	16	80
– Interest income	21	19
– Return on plan assets, excluding interest income	(3)	63
– Administrative expenses paid from plan assets	(2)	(2)
At 31 March	533	615

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

<i>\$ million</i>	2025	2024
Amounts recognised in profit or loss:		
The Hong Kong plan		
Current service cost	20	22
Administrative expenses paid from plan assets	2	2
Net interest income on net defined benefit asset	(3)	–
	19	24
The HKZAM plan	1	4
Total amounts recognised in profit or loss	20	28
Amounts recognised in other comprehensive income:		
The Hong Kong plan		
Remeasurements:		
– Actuarial loss/(gain) arising from changes in financial assumptions	9	(9)
– Experience adjustments	13	13
Return on plan assets, excluding interest income	3	(63)
	25	(59)
The HKZAM plan	4	4
Total amounts recognised in other comprehensive income	29	(55)
Total defined benefit expense/(income)	49	(27)

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

<i>\$ million</i>	2025	2024
The Hong Kong plan and the HKZAM plan	20	28
LSP liabilities in Hong Kong	22	–
Staff costs and related expenses	42	28

19. Employee Benefits (continued)

(a) Defined benefit plans (continued)

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

	2025	2024
The Hong Kong plan		
Discount rate	3.0%	3.5%
Future long term salary increases	3.5%	3.5%
The HKZAM plan		
Discount rate	1.8%	2.3%

The below analysis shows how the defined benefit obligations as at 31 March 2025 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	(9)	9
Future long term salary increases	12	(12)
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 2023/24.

(b) Defined contribution retirement plans

- (i) The group 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 PRC, 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 102.

(b) Dividend

<i>\$ million</i>	2025	2024
Final dividend proposed by the Authority after the end of the reporting period of \$4,241.71 per ordinary share (2024: \$nil)	1,300	–

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

(c) Share capital

<i>\$ million</i>	The Authority	
	2025	2024
Authorised, issued, allotted and fully paid: 306,480 ordinary shares of \$100,000 each (2024: 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 other parts of the PRC which are not distributable as required by the relevant PRC 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.

(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).

20. Capital, Reserves and Dividend (continued)

(d) Nature and purpose of reserves (continued)

(vi) Distributability of reserves

As at 31 March 2025, the aggregate amount of reserves available for distribution to the equity shareholder of the Authority was \$47,350 million (2024: \$44,747 million). After the end of the reporting period, the Board proposed a final dividend of \$4,241.71 per ordinary share (2024: \$nil). The final dividend amounted to \$1,300 million (2024: \$nil). 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	2025	2024
Total debt ¹	16	162,163	111,669
Total equity		92,090	87,852
Total capital ²		254,253	199,521
Total debt/capital ratio		64%	56%

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.

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 16% (2024: 15%) and 23% (2024: 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.

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

(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 Dongguan HKIA Logistics Park Investment (Dongguan) Co., Ltd 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.

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:

\$ million	Carrying amount at 31 March	Contractual undiscounted cash flow				
		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
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
2024						
Interest-bearing borrowings	111,669	143,501	13,983	25,126	36,460	67,932
Trade and other payables	21,402	21,710	19,959	1,156	528	67
Interest rate swaps (net settled)	(885)	(1,083)	(766)	(235)	(82)	–
Cross currency swaps (gross settled)	4,412					
– inflow		(97,465)	(2,613)	(12,394)	(32,659)	(49,799)
– outflow		97,318	2,587	12,311	32,590	49,830
Forward exchange contracts (gross settled)	8					
– inflow		(130)	(9)	(10)	(30)	(81)
– outflow		141	10	10	33	88
	136,606	163,992	33,151	25,964	36,840	68,037

As shown above, interest-bearing borrowings (including interest) of the group amounting to \$32,745 million (2024: \$13,983 million) are due to be repaid in the upcoming 12 months after 31 March 2025. 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:

<i>\$ million</i>	2025	2024
At 1 April	740	1,049
Effective portion of the cash flow hedge recognised in other comprehensive income	(734)	(370)
Less: deferred tax	121	61
At 31 March	127	740
Change in fair value of the interest rate swaps during the year	(734)	(370)
Hedge ineffectiveness recognised in consolidated statement of profit or loss	–	–
Effective portion of the cash flow hedge recognised in other comprehensive income	(734)	(370)

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

(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).

<i>\$ million</i>	2025	2024
Fixed rate borrowings		
Bank loans ¹	17,497	17,480
Fixed rate retail bonds	4,973	4,978
Fixed rate notes	137,894	87,712
Floating rate notes ¹	1,499	1,499
Total fixed rate borrowings	161,863	111,669
Variable rate borrowings		
Bank loans	300	–
Total borrowings	162,163	111,669
Fixed rate borrowings as a percentage of total borrowings	99.8%	100%

¹ Swapped to fixed rate

(iii) Sensitivity analysis

As at 31 March 2025, 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 \$7 million (2024: \$4 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 \$5 million (2024: \$4 million). Other components of consolidated equity would have increased by approximately \$140 million (2024: \$191 million) and decreased by approximately \$134 million (2024: \$190 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 2025, the group is exposed to US dollar currency risk in respect of the US dollar notes issued of US\$13,150 million (2024: US\$9,000 million) and cash and bank balances of US\$38 million (2024: US\$62 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	2025	2024
At 1 April	(9)	(8)
Effective portion of the cash flow hedge recognised in other comprehensive income	(462)	(219)
Amount transferred from equity to consolidated statement of profit or loss	457	218
Less: deferred tax	1	–
At 31 March	(13)	(9)
Change in fair value of the cross currency swaps during the year	(463)	(218)
Change in fair value of the forward exchange contracts during the year	(5)	(1)
Hedge ineffectiveness recognised in consolidated statement of profit or loss	6	–
Effective portion of the cash flow hedge recognised in other comprehensive income	(462)	(219)

As at 31 March 2025, 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 other parts of the PRC. 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 2025, except for the borrowings designated to hedge net investments in entities incorporated in other parts of the PRC, the group is exposed to Renminbi currency risk arising from RMB notes issued of RMB4,010 million (2024: RMBnil), prepayments for investment in Zhuhai Airport Group Limited of RMB2,166 million (2024: RMBnil) and cash and bank balances of RMB1,969 million (2024: RMB178 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 \$6 million (2024: \$9 million) lower/higher. The analysis is performed on the same basis for 2023/24.

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 2024 and 2025, 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 (2024: \$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)					
	2025			2024		
<i>\$ million</i>	Notional amount	Financial assets	Financial liabilities	Notional amount	Financial assets	Financial liabilities
Cash flow hedges						
Interest rate swaps	\$19,000	151	–	\$19,000	885	–
Cross currency swaps	US\$13,150	–	(2,581)	US\$9,000	–	(4,412)
Forward exchange contracts	AUD24	–	(16)	AUD26	–	(8)
Derivative financial instruments for perpetual capital securities	US\$1,500	–	(104)	US\$1,500	–	(108)
Total		151	(2,701)		885	(4,528)
Less: portion to be recovered/(settled) within one year						
Cash flow hedges						
Interest rate swaps	\$19,000	104	–	\$19,000	641	–
Cross currency swaps	US\$13,150	–	(37)	US\$9,000	–	–
Forward exchange contracts	AUD24	–	(1)	AUD26	–	(1)
Derivative financial instruments for perpetual capital securities	US\$1,500	–	(15)	US\$1,500	–	(2)
		104	(53)		641	(3)
Portion to be recovered/(settled) after one year		47	(2,648)		244	(4,525)

Derivative financial instruments qualifying as cash flow hedges as at 31 March 2025 have maturities of 0.3 year to 9.8 years (2024: 0.3 year to 8.8 years) from the end of the reporting period.

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)

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.

(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 2025 and 2024 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
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	–
2024						
Fixed rate retail bonds	\$5,000	4,978	5,083	5,083	–	–
Fixed rate notes	US\$9,000 and \$17,728	87,712	78,942	65,832	13,110	–

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	2025	2024
Contracted for	9,195	12,716
Authorised but not contracted for	39,692	34,146
	48,887	46,862

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, Chief Operating Officer 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, Chief Operating Officer 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 \$43 million (2024: \$66 million). As at 31 March 2025, the amounts due to the Government with respect to the above services amounted to \$32 million (2024: \$38 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 \$1,033 million (2024: \$922 million) and the amounts due to the Government as at 31 March 2025 with respect to the above services amounted to \$1 million (2024: \$74 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 \$196 million (2024: \$200 million). As at 31 March 2025, the amounts due to MTRC with respect to the maintenance services amounted to \$171 million (2024: \$211 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 \$69 million (2024: \$60 million). As at 31 March 2025, the amounts due from HKITP amounted to \$5 million (2024: \$23 million).

24. Material Related Party Transactions (continued)

- (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 \$78 million (2024: \$70 million). As at 31 March 2025, the aggregate amounts due from these departments, agencies or entities amounted to \$16 million (2024: \$9 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 \$74 million (2024: \$111 million). As at 31 March 2025, the aggregate amounts due from these departments or entities amounted to \$13 million (2024: \$9 million).

25. Immediate and Ultimate Controlling Party

As at 31 March 2025, 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.

26. Accounting Judgements and Estimates (continued)

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

(iii) Interests in joint ventures

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

(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.: 2024/033/1) from Social Welfare Department to support the services of certain charitable organisations. During the period from 1 April 2024 to 31 March 2025, the donations received was \$0.33 million (2024: \$0.28 million). After deducting handling fees of \$0.06 million (2024: \$0.05 million) charged by a service provider not related to the Authority, the net donations distributed of \$0.27 million (2024: \$0.23 million) were equally allocated among 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 a number of amendments to 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 can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

28. Material Accounting Policies (continued)

(b) Subsidiaries and non-controlling interests (continued)

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)).

(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.

28. Material Accounting Policies (continued)

(c) Joint ventures (continued)

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.

(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.

28. Material Accounting Policies (continued)

(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 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. 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. At this point in time it will be transferred from the unused ACF account and deducted from the carrying amount of the 3RS assets. Consequently, ACF is effectively recognised in profit or loss over the useful life of the 3RS assets by way of reduced depreciation expense.

(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.

28. Material Accounting Policies (continued)

(n) Interest-bearing borrowings and borrowing costs (continued)

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 other parts of the PRC 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.

(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 been vested with employees, which are deemed to be contributions from the relevant employees.

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.

28. Material Accounting Policies (continued)

(q) Employee benefits (continued)

(ii) Defined benefit plan obligations (continued)

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)).

(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.

28. Material Accounting Policies (continued)

(r) Income tax (continued)

(iii) (continued)

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.

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.

28. Material Accounting Policies (continued)

(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.
- (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.

28. Material Accounting Policies (continued)

(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.

(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.

28. Material Accounting Policies (continued)

(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 2025

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 2025 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 HKAS 21, <i>"Lack of Exchangeability"</i>	1 January 2025
Amendments to HKFRS 9 and HKFRS 7, <i>"Amendments to the classification and measurement of financial instruments"</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>"Presentation and disclosure in financial statements"</i>	1 January 2027
HKFRS 19, <i>"Subsidiaries without public accountability: Disclosures"</i>	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 HKFRS 18, where the presentation and disclosure of the group's consolidated statement of profit or loss is expected to change.

30. Non-adjusting Events after the Reporting Period

- (a) On 1 April 2025, the group acquired 35% interest in 珠海機場集團有限公司 (Zhuhai Airport Group Limited) for a total consideration of RMB4.3 billion. As at 31 March 2025, prepayment of \$2.3 billion has been made and included in "trade and other receivables". Further payments will be made in phases according to the agreed timeline specified in the contracts.
- (b) After the end of the reporting period, the Board declared a final dividend for the year ended 31 March 2025, the details of which are disclosed in note 20(b).

Five-year Financial and Operational Summary

(in HK\$ million)	20/21	21/22	22/23	23/24	24/25
Consolidated statement of profit or loss					
Revenue	5,936	5,798	8,217	13,683	16,404
Operating expenses before depreciation and amortisation	(8,054)	(6,176)	(7,404)	(8,279)	(9,039)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	(2,118)	(378)	813	5,404	7,365
Depreciation and amortisation	(3,169)	(3,039)	(3,308)	(3,817)	(4,020)
Net interest and finance income	71	77	508	1,098	189
Share of results of an associate	53	78	–	–	–
Share of results of joint ventures	(34)	(46)	(456)	(507)	(191)
Profit/(loss) before taxation	(5,197)	(3,308)	(2,443)	2,178	3,343
Income tax (expense)/credit	829	553	513	(259)	(590)
Profit/(loss) for the year	(4,368)	(2,755)	(1,930)	1,919	2,753
Attributable to:					
Holder of ordinary shares	(4,400)	(3,014)	(2,142)	1,613	2,457
Holders of perpetual capital securities	–	263	264	264	263
Non-controlling interests	32	(4)	(52)	42	33
Consolidated statement of financial position					
Non-current assets	117,769	143,879	170,483	196,013	222,305
Current assets	38,050	41,340	47,130	35,627	58,534
Current liabilities	(11,963)	(12,797)	(17,632)	(31,474)	(44,351)
Net current assets	26,087	28,543	29,498	4,153	14,183
Total assets less current liabilities	143,856	172,422	199,981	200,166	236,488
Non-current liabilities	(49,674)	(79,713)	(110,321)	(112,314)	(144,398)
Net assets	94,182	92,709	89,660	87,852	92,090
Share capital	30,648	30,648	30,648	30,648	30,648
Reserves	51,469	50,050	47,078	45,241	48,960
Perpetual capital securities	11,585	11,585	11,585	11,585	11,585
Non-controlling interests	480	426	349	378	897
Total equity	94,182	92,709	89,660	87,852	92,090
Key financial and operational statistics					
Dividend declared (HK\$ million)	–	–	–	–	1,300
Special dividend declared (HK\$ million)	–	–	–	–	–
EBITDA Margin	-35.7%	-6.5%	9.9%	39.5%	44.9%
Total debt/capital ratio ¹	31%	44%	53%	56%	64%
Passenger traffic ^{2,3} (millions of passengers)	0.8	1.4	12.4	45.2	54.9
Cargo and airmail throughput ^{2,4} (millions of tonnes)	4.6	4.9	4.1	4.5	5.0
Aircraft movements ² (thousands)	128	145	161	310	373

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 transshipment cargo. Transshipment cargo is counted twice. Airmail throughput includes airmail from Hongkong Post and transit mail from airlines.

Airlines Operating at HKIA as at March 2025

Aeroflot	CAMEX Airlines*	Fly Khiva*	Martinair*	Sichuan Airlines
AeroLogic*	Cargolux Airlines	Garuda Indonesia	MIAT Mongolian Airlines	Silk Way West Airlines*
Air Atlanta Europe*	International S.A.*	Georgian Airlines*	MNG Airlines*	Singapore Airlines
Air Atlanta Icelandic*	Cargolux Italia S.p.A.*	Greater Bay Airlines	MSC Air Cargo*	SpaceBee Airlines*
Air Belgium*	Cathay Pacific	Hainan Airlines	My Freighter*	Spring Airlines
Air Busan	Cebu Pacific	Hebei Airlines	My Indo Airlines*	STARLUX Airlines
Air Cambodia	Challenge Air*	HK Express	National Air Cargo*	Swiss International Air Lines
Air Canada	Challenge Air Cargo*	Hong Kong Air Cargo*	Nepal Airlines	Tasman Cargo Airlines*
Air China	Challenge Airlines BE*	Hong Kong Airlines	Nippon Cargo Airlines*	Terra Avia*
Air France	China Airlines	Hungary Airlines	ONE AIR*	Thai AirAsia
Air Hong Kong*	China Cargo Airlines*	IndiGo	Peach Aviation	Thai Airways
Air India	China Eastern Airlines	Indonesia AirAsia	Philippine Airlines	Thai Lion Air
Air New Zealand	China Southern Airlines	Japan Airlines	Philippines AirAsia	Tibet Airlines
Air Niugini	CMA CGM AIR CARGO*	Jeju Air	Polar Air Cargo*	Turkish Airlines
Air Premia	Compass Cargo Airlines*	Jiangxi Air	Qantas Airways	T'way Air
Air Tanzania*	DHL Air*	Jin Air	Qatar Airways	United Airlines
AirAsia	DHL Aviation*	Juneyao Airlines	Qingdao Airlines	United Parcel Service*
AirAsia X	Egyptair*	Kalitta Air*	Raya Airways*	Urumqi Air
Airline Geo Sky*	Elitavia Malta*	Kargo Xpress*	ROM Cargo Airlines*	Uzbekistan Airways*
All Nippon Airways	Emirates	KLM Royal Dutch Airlines	Royal Air Philippines	Vietjet Air
Asia Pacific Airlines*	Ethiopian Airlines	K-Mile Air*	Royal Brunei Airlines	Vietnam Airlines
Asiana Airlines	Etihad Airways*	Korean Air	Ruili Airlines	West Air
ASL Airlines Belgium*	European Air Transport	Loongair	Saudi Arabian Airlines*	Western Global Airlines*
ASL Airlines Ireland*	Leipzig*	Lufthansa	Scoot	World Cargo Airline*
Astral Aviation*	EVA Airways	Lufthansa Cargo*	SF Airlines*	Xiamen Airlines
Atlas Air*	FedEx Express*	Maersk Air Cargo*	Shandong Airlines	YTO Airlines*
Bangkok Airways	Fiji Airways	Malaysia Airlines	Shanghai Airlines	
British Airways	Finnair	Malindo Airways	Shenzhen Airlines	

Destinations Served from HKIA as at March 2025

North Asia	Nanning	Yinchuan	Middle East/ Central Asia/ South Asia	Budapest*	Africa
Beijing/Capital	Nantong	Yonago	Abu Dhabi*	Cologne*	Addis Ababa
Beijing/Daxing	Ningbo	Yuncheng	Almaty*	Frankfurt	Cairo*
Busan	Okinawa	Zhangjiajie	Amman*	Helsinki	Dar Es Salaam*
Changchun	Ordos	Zhengzhou	Bahrain*	Istanbul	Johannesburg
Chengdu/Shuangliu*	Osaka/Kansai	Zhoushan	Baku*	Leipzig*	
Chengdu/Tianfu	Qingdao		Bangalore	Liege*	North America
Chongqing	Sanya	East Asia/ Southeast Asia	Chennai	London/Heathrow	Anchorage*
Dali City	Sapporo	B S Begawan	Colombo	London/Stansted*	Atlanta*
Dalian	Sendai	Bangkok/ Don Mueang	Dammam*	Luxembourg*	Boston
Dunhuang	Seoul/Incheon	Bangkok/ Suvarnabhumi	Delhi	Maastricht/Aachen*	Chicago/O'Hare
Enshi	Shanghai/Hongqiao	Cebu	Dhaka	Madrid/Barajas	Cincinnati*
Ezhou*	Shanghai/Pudong	Chiang Mai	Doha	Malta*	Dallas*
Fukuoka	Shenyang	Da Nang	Dubai	Manchester	Honolulu
Fuzhou	Shijiazhuang	Davao	Dubai/Al Maktoum*	Milan/Malpensa	Houston*
Guangzhou	Shizuoka	Denpasar	Jeddah*	Moscow	Huntsville*
Haikou	Taichung	Hanoi	Karaganda*	Nottingham*	Indianapolis*
Hangzhou	Taipei	Ho Chi Minh	Kathmandu	Paris/ Charles De Gaulle	Los Angeles
Harbin	Taiyuan	Iloilo	Kolkata*	Paris/Vatry*	Louisville*
Hefei	Takamatsu	Jakarta	Koror	Tbilisi*	Memphis*
Hiroshima	Tianjin	Koh Samui	Kuwait*	Vienna*	Miami*
Hohhot	Tokushima	Kota Kinabalu	Lahore*	Zurich	New York/John Kennedy
Hualien	Tokyo/Haneda	Kuala Lumpur	Male	Australasia/ Pacific Islands	Oakland*
Huangshan	Tokyo/Narita	Kuching*	Mumbai	Auckland	Ontario*
Jeju	Ulaanbaatar	Labuan*	Muscat*	Brisbane	Philadelphia*
Jinan	Urumqi	Manila	Riyadh	Cairns	Portland*
Jinjiang	Wenzhou	Medan/Kuala Namu*	Sharjah*	Christchurch	Saipan
Kagoshima	Wuhan	Nha Trang	Tashkent*	Gold Coast	San Francisco
Kaohsiung	Wuxi	Pampanga	Tel Aviv*	Guam	Toronto
Kashi	Xiamen	Penang	Yerevan*	Melbourne	Vancouver
Kumamoto	Xian	Phnom Penh		Nadi	
Kunming	Xiangfan	Phu Quoc	Europe	Perth	Central and South America
Lanzhou	Xining	Phuket	Amsterdam	Port Moresby	Felipe Angeles*
Lhasa	Xishuangbanna	Singapore	Barcelona	Sydney	Guadalajara*
Linyi	Yantai	Surabaya	Belgrade*	Toowoomba/ Wellcamp*	São Paulo/GRU*
Nagoya	Yichang	Vientiane	Billund*		
Nanjing			Birmingham*		
			Brussels*		

* Freighter services only

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