



2023 Annual Report of Shenzhen Airport (Group) Co., Ltd.

June 2024

Section I Important Tips, Contents and Interpretation

The board of directors, board of supervisors, directors, supervisors and senior executives of Shenzhen Airport (Group) Co., Ltd. (hereinafter referred to as “the Company”) guarantee that there are no false records, misleading statements or major omissions in the information contained in this report, and they shall be individually and jointly liable for the authenticity, accuracy and completeness of its contents.

All directors of the Company attended the board meeting, and no director objected to the authenticity, accuracy and completeness of the report.

ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP) issued a standard audit report for the Company with unqualified opinion.

Mr. Shu Yumin, the person in charge of the Company, Ms. Liu Xiuli, the person in charge of accounting work, and Mr. Pan Minghua, the person in charge of accounting institutions, declare that the financial report in the annual report is true, accurate and complete.

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Interpretation

Interpretation Item		Interpretation Content
Our Company, the Company, Group Company	refers to	Shenzhen Airport (Group) Co., Ltd.
Municipal State-owned Assets Supervision and Administration Commission	refers to	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government
This reporting period, the reporting period	refers to	Year 2023
Shenzhen Airport	refers to	Shenzhen Baoan International Airport
SACL	refers to	Shenzhen Airport Co., Ltd.
Airport Logistics Development Company	refers to	Shenzhen Airport Logistics Development Co., Ltd.
Airport Low Altitude Industry Company	refers to	Shenzhen Low-altitude Industry Development Service Co., Ltd.
Airport Aerotropolis Development Company	refers to	Shenzhen Airport Aerotropolis Development Co., Ltd.
Airport Business Company	refers to	Shenzhen Airport Business Development Co., Ltd.
Shenzhen Building Company	refers to	Beijing Shenzhen Building Co., Ltd.
Airport South Area Transfer Depot Company	refers to	Shenzhen Airport Group South Area Transfer Depot Co., Ltd.
Airport Port Service Company	refers to	Shenzhen Airport Port Ferry Terminal Services Co., Ltd.
Chengyuan Oil Company	refers to	Shenzhen Chengyuan Aviation Oil Co., Ltd.
Airport Oil Company	refers to	Shenzhen Airport Oil Co., Ltd.
Air Catering Company	refers to	Shenzhen Air Catering Co., Ltd.

Section II Company Introduction

I. Basic Information of the Company

1. Basic Information Table of the Company

Legal Name of the Company	Shenzhen Airport (Group) Co., Ltd.
Registered Capital	RMB 12,650,000,000 yuan
Scope of Business	<p>Passenger and cargo air transport, storage and transportation warehouse business, aviation oil supply and oil supply facilities, communication equipment and communication navigation equipment; Comprehensive services and tourism business of ticketing building and airport hotels, restaurants and shopping malls (with separate licenses required); Aviation maintenance base and aviation equipment; Operating real estate business in designated lots (subject to the approval of the Construction Bureau); Airport building materials and aviation equipment, bonded warehousing business; Domestic commercial and material supply and marketing industries (excluding franchised, specially controlled and monopolized commodities); Education and training, cloakroom service, typing and copying services; Import and export business; Engaged in advertising business (if laws and administrative regulations stipulate that advertising business should be approved and registered, it can only be operated after being approved and registered separately); Non-profit medical service; Investment in airports and related main businesses (specific items shall be declared separately); Water supply, power supply and cooling service (if approval is required according to law, it can only be operated after obtaining relevant approval documents); Cooling operation and maintenance service; Airport hydropower operation and maintenance services; Professional contracting of mechanical and electrical equipment installation engineering (it can only be operated after obtaining the qualification certificate issued by the construction administrative</p>

	department); Tourism (only guest rooms without catering) (branch operation); Motor vehicle parking service; Passenger station management; Passenger terminal management and combined transport services; Yacht berth leasing and sales, yacht membership card, VIP card sales; Yacht dock design; Yacht design, technology development, leasing and sales; Hotel management; Development and management of industrial parks; Business incubator management services; Industrial and commercial project planning and related information consultation, design and related layout planning; Information technology consulting and technical services; Conference and exhibition services; Planning of cultural exchange activities (excluding karaoke and dance halls); Aviation product maintenance and modification business. (projects prohibited by laws, administrative regulations, and the State Council are excluded, and restricted projects, they can only be operated after obtaining permission).
Registered Address	No.1011 Airport Road, Fuyong Street, Baoan District, Shenzhen
Office Address	Shenzhen Baoan International Airport Information Building
Legal Representative of the Company	Shu Yumin
Postal Code	518128
Company Website	www.szairport.com
Email	sac@szairport.com
The websites where annual reports are specified to be published	gzw.sz.gov.cn www.szairport.com
Name of Accounting Firm	ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP)
Office Address of the Accounting Firm	Floor 11, Block A, Xincheng Culture Building, No.11 Chongwenmenwai Street, Dongcheng District, Beijing

2. Mainly responsible person and contact information for the disclosure of annual report

Name	Post	Contact Address	Phone	Email
Shen Jian	Secretary of the Board	Shenzhen Baoan International Airport Information Building	(0755) 23456567	sac@szairport.com

3. The Company's shareholding structure

Name of Shareholder	Shareholding Ratio	Shareholding Amount
State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government	100%	-----

4. Brief development history and main cultural features of the Company

(1) Brief development history of Our Company

Our Company was established on April 22, 1989, with the approval of the Shenzhen Municipal People's Government (S. F. B. [1989] No.336). On May 11, 1989, we obtained the business license for enterprise as a legal person, with the registered name of Shenzhen Airport Company. On May 10, 1994, Our Company was renamed Shenzhen Airport (Group) Company. On April 20, 2004, approved by the Shenzhen State-owned Assets Supervision and Administration Commission, Our Company was renamed Shenzhen Airport (Group) Co., Ltd., a wholly state-owned limited liability company. At the end of the reporting period, the registered capital and paid-in capital of Our Company amounted to RMB 1.265 million yuan.

Shenzhen Airport was officially opened in October 1991 and became an

international airport in May 1993. In 1996, it became the fourth-largest airport in China. In 2003, Shenzhen Airport handled over 10 million passengers. In 2007, the number of passengers exceeded 20 million; In 2013, the number of passengers exceeded 30 million, and on November 28, Shenzhen Airport achieved a one-time error-free successful terminal transition, setting a new record for domestic civil aviation; In 2016, the number of passengers exceeded 40 million; In 2019, the number of passengers exceeded 50 million. On December 7, 2021, the Satellite Hall was officially opened. In 2023, the number of passengers reached 52.735 million, and the cargo and mail volume was 1.6 million tons.

(2) Main cultural characteristics of Our Company

Our Company has always adhered to the corporate mission of "Serving the Society and Helping Shenzhen to Grow". Adhering to the core values of "Customer-centered and Career-oriented", we are making every effort to advance towards the vision of "Building a World-class Airport". Our Company focuses on four dimensions: serving the overall situation, serving the city, serving the industry, and serving the people's livelihood, and constantly improves and enhances the brand image. Throughout the year, Our Company was reported by the mainstream media for more than 500 times, and the duration of public welfare publicity was over 15,000 hours. In the national finals of the 11th National Brand Story Competition, we won the first prize in the essay category and the third prize in the speech category. We

jointly plan art public welfare exhibitions with well-known brands in Shenzhen to realize the brand empowerment and communication of "Window+Science and Innovation" in Shenzhen. Besides, we actively and frankly respond to public concerns, queries, and opinions with our official true and sincere voice, so as to maintain our good image of Shenzhen as a window. We have successively won the honors of "Shenzhen Network Response Effectiveness Demonstration Unit" and "Shenzhen Network Image Construction Excellent Unit".

During the reporting period, 18 collectives and 14 individuals of the Company were commended by the superior trade unions and league organizations, among which the "Life Star" team of the fire emergency center won the title of "National Worker Pioneer".

II. Information on Directors, Supervisors and Senior Executives of the Company

1. Members of the Board of Directors

(1) As of December 31, 2023, members of the Board of Directors

Name	Post	Gender	Age	Start Time of Present Post	End Time of Present Post
Shu Yumin	Secretary of the CPC Committee and Chairman	Male	49	November 2023	--
Zhu Enping	Secretary of the CPC Committee and Chairman	Male	49	June 2022	October 2023
Lin Xiaolong	Deputy Secretary of the CPC Committee, Director and General Manager	Male	55	June 2022	--
Lei Xiaofeng	Deputy Secretary of the CPC Committee, Director	Male	43	September 2023	--

Liu Xiuli	External Director, Chief Financial Officer	Female	51	May 2020	--
Zhang Ruili	Full-time External Director	Male	60	July 2017	January 2024
Xiao Chunlin	Full-time External Director	Male	52	July 2017	June 2024
Chen Huigen	External Director	Male	60	July 2017	May 2024
Xie Lanjun	External Director	Male	57	July 2017	May 2024
Zou Jianjun	External Director	Male	53	October 2017	May 2024

(2) Changes of members of the Board of Directors from the end of the reporting period to the date of announcement of this report (January 1 - June 30, 2024)

Name	Post	Gender	Age	Start Time of Present Post	End Time of Present Post
Pan Longbin	Full-time External Director	Male	56	April 2024	--
Yin Jianhui	Full-time External Director	Male	55	May 2024	--
Liu Xiaodong	Full-time External Director	Male	52	June 2024	

2. Secretary of the Discipline Inspection Commission and Members of the Board of Supervisors

Name	Post	Gender	Age	Start Time of Present Post	End Time of Present Post
Li Hongmin	Member of the CPC Committee and Secretary of the Discipline Inspection Commission	Male	52	September 2023	--
Xiang Dong	External Supervisor	Male	53	July 2017	--

He Xingang	External Supervisor	Male	49	July 2017	--
Pan Minghua	Employee Supervisor	Male	57	December 2008	--

3. Senior executives

Name	Post	Gender	Age	Start Time of Present Post	End Time of Present Post
Lin Xiaolong	Deputy Secretary of the CPC Committee, Director and General Manager	Male	55	June 2022	--
Wang Suichu	Member of the CPC Committee and Deputy General Manager	Male	60	May 2012	November 2023
Yang Haibin	Member of the CPC Committee and Deputy General Manager	Male	51	December 2017	--
Lai Feng	Deputy General Manager	Male	41	November 2022	--
Chen Fanhua	Deputy General Manager	Male	57	September 2023	--

Section III Summary of Accounting Data and Financial Indicators

I. Introduction to the main business of the enterprise

As the management organization of Shenzhen Airport, the Company has the statutory functions of unified investment, planning, construction and operation of the airport, and undertakes the corresponding public management and service functions of the airport. The Company is mainly engaged in three

business sectors: flight operation and passenger service, freight logistics, and airport economy. The **flight operation and passenger service sector** mainly refers to the main aviation business and aviation value-added business. The main aviation business mainly includes aircraft take-off and landing and ground handling, maintenance, and operation management of airport flight control area, passenger enplaning, waiting and inbound and outbound services, aircraft maintenance and auxiliary services, etc. Aviation value-added services mainly include terminal business, airport advertising, VIP service, and parking lot service. The **freight logistics sector** mainly includes air cargo ground handling services, property management and leasing in logistics parks, logistics electronic information management, and logistics extension services, as well as equipment, facilities, services, and customs clearance for international express customs supervision, and international goods handling services. The **airport economy sector** mainly includes real estate development and management, commercial project planning, development and information consultation, hotel management, passenger and freight business at airport terminals, house leasing, and property management.

In 2023, Shenzhen Airport launched 7 new domestic passenger air services, and increased the frequency of 38 domestic passenger air services. Restored and launched 22 international and regional passenger routes; 7 new and 8 frequency-increased international all-cargo destinations were opened.

By the end of the reporting period, Shenzhen Airport had 160 passenger destinations (125 domestic, 33 international, and 2 regional) and 59 all-cargo navigation destinations (22 domestic, 36 international, and 1 regional).

II. Summary of Main Financial Data

Monetary unit: RMB ten thousand yuan

Items	Year 2023	Year 2022	Changing Proportion
Operating income	689,604	564,128	22.2%
Cost of operation	560,261	537,282	4.3%
Period expense	56,773	62,722	-9.5%
Including: Cost of sales	1,712	3,480	-50.8%
Management cost	32,259	36,497	-11.6%
Financial expenses	22,802	22,745	0.3%
Total Profit	90,528	-95,914	194.4%
Net profit attributable to the parent company	46,543	-32,256	244.3%
Return on equity	1.7%	-1.9%	-
Ratio of profits to cost	13.4%	-14.1%	-
Proportion of cost to operating income	98.3%	120.8%	-
Items	2023 Year-end	2022 Year-end	Changing Proportion
Total Assets	5,534,509	5,828,003	-5.0%
Total Liabilities	1,447,711	1,867,909	-22.5%
Owner's equity attributable to the parent company	3,596,383	3,491,646	3.0%

Remarks:

Return on equity = net profit/average owner's equity $\times 100\%$

Ratio of profits to cost = Total profit/(operating cost+taxes and surcharges+period expenses) $\times 100\%$

Proportion of cost to operating income = (operating cost+taxes and surcharges+period expenses)/operating income $\times 100\%$

Section IV Report of the Board of Directors

I. Analysis of the Board of Directors on the Company's operation during the reporting period

According to the relevant data of the National Civil Aviation Work Conference in 2024, in 2023, the total transportation turnover of the whole industry was 118.83 billion cargo tonne-kilometres (CTKs), the number of passenger transportation volume was 620 million, and the cargo and mail transportation volume was 7.354 million tons, up by 98.3%, 146.1%, and 21% respectively, and recovered to 91.9%, 93.9%, and 97.6% of the percentages in 2019 respectively. The loss of the whole industry was greatly reduced by RMB 187.2 billion yuan, and the production and operation improved obviously. China's civil aviation transportation production shows a good situation of stable recovery, safe operation and orderly competition, which reflects the strong resilience of China's civil aviation relying on the ultra-large-scale domestic demand market and also reflects the good trend of China's sustained economic recovery.

During the reporting period, the Company firmly established the goal of building a world-class airport, seized the window of civil aviation recovery and development, **made great efforts to improve the energy level of**

aviation hubs, and achieved a passenger throughput of 52.735 million, up 144.6% year-on-year, 6.4 percentage points higher than the national average recovery level. The number of domestic passengers jumped to second place in China for the first time, reaching a record high. The cargo and mail throughput exceeded 1.6 million tons, up 6.2% year-on-year, and the domestic cargo and mail throughput ranked first in China. The Company **went all out to increase revenue and reduce expenditure**, set up a Value Promotion Committee and a Value Promotion Supervision Working Group in Key Areas, and implemented 178 business initiatives one by one on a list. The Company deepened the reform of state-owned enterprises, continuously optimized internal management, and enhanced the creativity of financial value. The annual operating income was RMB 6.9 billion yuan, up 22.2% year-on-year; the total profit was RMB 910 million yuan; and the tax payment was RMB 2.62 billion yuan. The Company **accelerated the construction of world-class infrastructure**, and actively strives for the approval of the Civil Aviation Administration to carry out the revision of general regulations. The planned annual passenger capacity of the terminal will be increased to 100 million. The reclamation project of the third runway was completed and accepted; the early stage of the T2 terminal area project was established; and the preparation of the feasibility study report of the Northeast station site was completed. Three key logistics projects, including the Phase I of the new international cargo terminal in the southern district, were put into centralized

use. The total investment in construction projects in the whole year was RMB 1.75 billion yuan, and the contribution in fixed asset investment in Shenzhen was over RMB 4.6 billion yuan. **In addition**, the Company conscientiously implemented the national, provincial, municipal, and industrial decision-making arrangements for safety work, innovated and improved the safety management system, comprehensively enhanced aviation safety capabilities, vigorously enhanced emergency response capabilities, and paid close attention to regional comprehensive management, making safe operation more reliable.

II. Main business analysis

1. Income statement and cash flow statement related subjects change analysis table

Monetary unit: RMB ten thousand yuan

	Subject	Year 2023	Year 2022	Changing proportion
Income Statement	Operating income	689,604	564,128	22.2%
	Cost of operation	560,261	537,282	4.3%
	Cost of sales	1,712	3,480	-50.8%
	Management cost	32,259	36,497	-11.6%
	Financial expenses	22,802	22,745	0.3%
	Total Profit	90,528	-95,914	194.4%
Cash Flow Statements	Net cash flow from operating activities	-70,492	131,493	-153.6%
	Net cash flow from investment activities	-286,143	77,564	-468.9%
	Net cash flow from fund-raising activities	23,570	-228,740	110.3%
	Net increase in cash and cash equivalents	-333,026	-19,479	-1609.7%

2. Income

In 2023, the Company achieved an operating income of RMB 6,896.04 million yuan, an increase of RMB 1,254.76 million yuan year-on-year, with an increase of 22.2%, mainly due to the growth of business volume.

3. Cost

The Company's operating cost in 2023 was RMB 5,602.61 million yuan, an increase of RMB 229.79 million yuan year-on-year, with an increase of 4.3%, mainly due to the increase in operating costs such as maintenance fees, and energy consumption, depreciation and amortization, and labor costs.

4. Expenses

During 2023, the Company's expenses totaled RMB 567.73 million yuan, a year-on-year decrease of RMB 59.49 million yuan, a decrease of 9.5%, mainly due to the decrease in sales service fees, audit consulting fees and publicity activities.

5. Total profit

In 2023, Our Company's total profit was RMB 905.28 million yuan, an increase of RMB 1,864.42 million yuan year-on-year, mainly due to the increase in business volume and the newly added compensation profit for the demolition and relocation of Shenzhen-Jiangmen Railway.

6. Cash flow

During the reporting period, Our Company's cash and cash equivalents decreased by RMB 3,330.26 million yuan, mainly due to the net cash outflow

from investment activities such as purchasing and building fixed assets of RMB 2,861.43 million yuan. The net cash outflow from operating activities was RMB 704.92 million yuan. The net cash inflow from financing activities, such as receiving capital injection from the Municipal State-owned Assets Supervision and Administration Commission and repaying the principal of financing projects, was RMB 235.7 million yuan.

7. Description of development strategy and business plan progress

(1) Description of development strategy progress

During the reporting period, the Company's five strategies of "Passenger-based, Cargo-based, City-based, Talent-based and Intelligence-based" were thoroughly implemented, and the objectives of the 14th Five-Year Plan achieved positive results.

The "Passenger-based" strategy achieved a breakthrough. New achievements have been made in the construction of a high-quality innovative international aviation hub. In 2023, the number of passengers throughput reached 52.735 million, up 144.6% year-on-year. The peak hour capacity standard was approved to be raised to 65 flights per hour, ranking first in the domestic double runway airport. In 2023, the number of international and regional passenger destinations reached 35, and realized direct connection with Linzhi, Kashgar, and other cities, with 125 domestic passenger destinations in total. The "Shenzhen Express" service brand was released, covering 13 air express services, realizing the "bus-type operation" of flights

from Shenzhen to popular cities. The first Shenzhen-Hong Kong "Twin Cities" terminal was opened, and the number of urban terminals increased to 25, covering 7 cities including Hong Kong, Huizhou and Dongguan; 5 passenger ferry routes were opened and restored to serve the integrated development of the Greater Bay Area.

The "Cargo-based" strategy was steadily improved. The construction of an airport-based national logistics hub reached a new level. In 2023, the throughput of cargo exceeded 1.6 million tons, up 6.2% year-on-year. The Special Plan of Shenzhen Airport-based National Logistics Hub was reviewed and approved by the municipal government. In 2023, the Company built an air express channel with specialty agricultural products in areas such as Xinjiang and Inner Mongolia, and opened or increased the frequency of 15 international all-cargo routes to destinations such as Mexico and Paris, with 59 all-cargo navigation points. The development of cross-border e-commerce accelerated in an all-round way, with the opening of nine special air routes and the opening of the first special air handling area in China. The Company took the lead in carrying charged goods containing batteries in China, and the volume of cross-border e-commerce by air reached 175,000 tons, up 80.3% year-on-year. The newly-built international inbound cold storage tripled the cold chain cargo support capacity. The world's first air container CT security inspection machine was successfully tried out. Four remote pre-process storehouses in Zhongshan, Jiangmen, Dongguan, and Zengcheng were opened

to serve the industrial development of Greater Bay Area.

Deepening the layout with a "City-based" strategy. We prepared special planning for the airport business district with high standards, and promoted the inclusion of the greater airport business district in Shenzhen's world-class landmark business district. We reached cooperation intentions with a number of international luxury goods groups, and our "Airport Business Index" issued by CAPSE ranked first in China for three consecutive years. The commercial occupancy rate of our terminal buildings ranked first among domestic airports, and the e-CNY coverage of merchants exceeded 80% with the introduction of the first e-CNY terminal equipment for overseas passengers in China. The duty-free shops were upgraded. Shenzhen Pengsheng Airport Duty-Free Products Co. Ltd was officially put into operation. Aviation City Wisdom Valley Industrial Park was awarded the title of Shenzhen Business Incubation Base. The Doubletree by Hilton Apartment officially opened. Hyatt Regency Shenzhen Airport was awarded the "Best Airport Hotel in China" by SKYTRAX for three consecutive times, and was also certified as a Five-leaf China Green Hotel. The Lingyi Building Project, Phase 6 of the Navigation City Project, was awarded the National Engineering Quality Award.

The "Talent-based" strategy was solidly promoted. The Company continuously optimized internal governance, adjusted functions such as asset management, and made enterprise management more standardized. The

Company improved the whole chain of "selection, cultivation, management and employment", vigorously selected and trained young cadres, and more than half of the newly promoted deputy manager-level managers were born after 1990; The Company set up a departmental echelon of young talents and held a training class for young cadres for the first time. The Company created an influential innovation studio for model workers and craftsmen, extensively carried out various skill competitions, built a qualification system, and promoted the growth and development of technical and skilled talents. The Company established an index system for monitoring the effectiveness of human resources, and scientifically determined the allocation direction and the number of supplementary employment. The Company signed a strategic cooperation agreement with China Civil Aviation Management Cadre College to jointly build a civil aviation education and training base.

The "Intelligence-based" strategy was tried and implemented first.

The driving force for innovation and development got stronger, and 2 group standards and 11 enterprise standards were released; Independent research and development of C-class aircraft moving equipment was completed, and a number of national patent authorizations were obtained; "One Code for Freight" was promoted by CAAC. Information technology projects received stronger support. The Company independently developed B3 international cargo terminal information management system, promoted the completion of nearly 40 digital projects, and launched 9 intelligent innovative services, with

an annual R&D investment of RMB 3.05 million yuan; T3 information weak current upgrade passed the industry acceptance at one time, winning the Excellent Case Award of National Civil Airport Safety Management; The Company completed the upgrade of cloud platform 8.0 and the migration of more than 100 applications, and obtained the international standard of information technology service management system (ISO20000) certification for the first time. As the only airport representative unit in China, the Company attended the 2023 Civil Aviation Science and Education Innovation Conference, and made a keynote speech about the practical experience of building a world-class smart airport benchmark, which was fully affirmed by the CAAC.

(2) Description of the progress of the business plan

During the reporting period, the Company achieved an operating income of RMB 6.9 billion yuan and a total profit of RMB 910 million yuan; the Company handled 52.735 million passengers, 1.6 million tons of cargo and mail, and 393,000 flights.

III. Analysis of assets and liabilities

Monetary unit: RMB ten thousand yuan

Items	2023 Year-end		2022 Year-end		Proportion Increase and Decrease
	Amount	Proportion of Total Assets	Amount	Proportion of Total Assets	
Total Assets	5,534,509	100.0%	5,828,003	100.0%	--
Including: other monetary funds	539,640	9.8%	972,666	16.7%	-6.9%
Accounts receivable	93,809	1.7%	61,257	1.1%	0.6%

Inventories	24,769	0.4%	62,483	1.1%	-0.7%
Investment property	240,485	4.3%	229,599	3.9%	0.4%
Long-term equity investment	212,379	3.8%	173,825	3.0%	0.8%
Fixed assets	2,020,951	36.5%	2,170,526	37.2%	-0.7%
Construction in progress	982,622	17.8%	789,837	13.6%	4.2%
Total Liabilities	1,447,711	26.2%	1,867,909	32.1%	-5.9%
Including: Long-term loan	20,755	0.4%	23,605	0.4%	--
Bonds payable	249,893	4.5%	199,875	3.4%	1.1%

During the reporting period, the measurement attributes of the Company's main assets did not change significantly.

IV. Core competitiveness analysis

The Company's core competitiveness: unique location advantage, high-quality service level, leading digital transformation, perfect corporate governance system, and excellent brand culture.

1. Unique location advantages

Shenzhen is located in the core of Guangdong-Hong Kong-Macao Greater Bay Area, bearing major national strategies such as Guangdong-Hong Kong-Macao Greater Bay Area, pioneering demonstration zone, comprehensive reform pilot, and comprehensively deepening the reform and opening up of the Qianhai Cooperation Zone, and the city's competitiveness, influence and radiation have been continuously improved. Shenzhen Airport is one of the core hubs of Greater Bay Area, and the CAAC proposed to build a new pattern of regional coordinated development driven by the multi-core

international aviation hubs of China, Hongkong, Guangzhou, and Shenzhen. The location advantage of Shenzhen Airport is obvious. There are two high-speed trains, two inter-city railways, five subways, and one MRT in the regional planning of the airport, which will become an international comprehensive transportation hub integrating "sea, land, air, high-speed trains, inter-city railways and subways". With the construction of Shenzhen-Zhongshan Link, Shenzhen International Airport-Dayawan Intercity Railway, and Shenzhen-Maoming Railway, it will usher in greater location advantages and better development prospects.

2. High-quality service level

As a large public welfare state-owned enterprise, the Company gives full play to the airport engine function and window demonstration effect, and earnestly fulfills the duty and mission of "serving the overall situation, the city, the industry, and the people's livelihood". The Company actively implements the concept of "people's aviation for the people", comprehensively benchmarks the highest, best, and optimal standard, and continuously improves the travel experience of the majority of passengers with high-quality hardware facilities, high-standard travel services, and efficient operation handling. The Company has won the CAPSE's "Best Airport Award" for seven consecutive years, won the title of "Top Ten Beautiful Airports in the World" in succession, and won hundreds of honors such as SKYTRAX's "Best Progressive Airport Award in the World" and

ACI Asia-Pacific "Best Airport" with a class of over 40 million.

3. Leading digital transformation

Shenzhen Airport, born of reform and innovation, is one of the first airports in China to be built and operated locally by local governments. Shenzhen Airport always adheres to open consciousness and international vision, drives sustainable development with innovation, and continues to strive to be the pioneer and promoter of smart airport construction. Shenzhen Airport has fully implemented the digital high-quality development action plan, continuously introduced intelligent innovative services, and achieved deep integration of IT technology and airport management. The construction of smart airports has achieved fruitful results, and the brand of "Digital Best Experience Airport" has been continuously polished.

4. Perfect corporate governance system

As one of the first batches of pilot enterprises built by the board of directors of Shenzhen State-owned Assets Supervision and Administration Commission, the Company has established a relatively perfect governance system and management control. The Company has always adhered to and strengthened the Party's overall leadership, accelerated the unification of the Party's leadership and the improvement of corporate governance, and gradually formed a new governance structure in which the Party Committee takes the direction, takes care of the overall situation and ensures implementation; the Board of Directors sets strategies and makes decisions,

prevents risks; and the Management Layer seeks to operate, supervise implementation and strengthen management. Various governance subjects perform their respective duties, coordinate operation and effectively check and balance, providing strong support for improving modern corporate governance and building a world-class airport.

5. Excellent brand culture

As an important window to show the image and temperament of the special administrative region and the "living room of the first meeting of the city", Shenzhen Airport is based on the first demonstration, gives full play to the leading role of culture, actively builds a cultural system with characteristics of the times and industries, and realizes the deep integration of corporate culture, strategy and business. The Company makes the corporate vision clear, which is "committed to becoming a world-class airport". The Company takes "serving the society and helping Shenzhen grow" as its corporate mission, and has formed its corporate values of "serving the city as its mission, taking customers as its center, striving for the career as its foundation, and leading the industry as its standard".

V. Analysis of investment situation

1. External equity investment

(1) According to the work arrangement of the superior, the Company invested in the establishment of Shenzhen Airport Group Liantou Co., Ltd., with a registered capital of RMB 57.66 million yuan. The Company holds

51% of the shares and Shenzhen Steady Development Investment Co., Ltd. holds 49% of the shares. The airport joint investment company mainly undertakes special tasks.

(2) The Company and other shareholders increased their capital to Shenzhen Chuangke Park Investment Co., Ltd. in the same proportion, of which the Company increased its capital by RMB 450 million yuan, which was mainly used for Chuangke Company to pay transaction taxes and operating expenses arising from asset transfer registration.

(3) The Company increased its capital by RMB 570 million yuan to Shenzhen Building Co., Ltd., which was mainly used for the renovation project of the Beijing Shenzhen Building.

(4) Shenzhen Shenchang Air Freight Co., Ltd. was wholly, owned by SACL with a registered capital of RMB 100 million yuan, which is mainly responsible for operating the new phase of international logistics facilities.

(5) Shenzhen Pengsheng Airport Duty-Free Co., Ltd. was jointly established by SACL, with a registered capital of RMB 100 million yuan, of which SACL holds 49% of the shares and Shenzhen State-owned Duty-free Commodities (Group) Co., Ltd holds 51% of the shares, which is mainly responsible for operating the duty-free shops at T3 Terminal and Fuyong Wharf.

2. Entrusted wealth management and derivative investment of non-financial companies

During the reporting period, the Company used its own funds to purchase a total of RMB 7.35 billion yuan of bank wealth management products (including structured deposits) through the bidding of the municipal state-owned enterprise financing platform. Among them, the Group Company purchased RMB 5.4 billion yuan and the SACL purchased RMB 1.95 billion yuan. By the end of the reporting period, the balance of wealth management products of Group Company was RMB 600 million yuan, and that of SACL was RMB 1.2 billion yuan.

3. Overall use of raised funds

During the reporting period, the Company raised RMB 500 million yuan by issuing corporate bonds to repay the corporate bonds due of the Company. By the end of the reporting period, all the raised funds have been used.

4. Analysis of major subsidiaries and shareholding companies

Monetary unit: RMB ten thousand yuan

Company Name	Type of Company	Type of Industry	Main Products or Service	Registered Capital	Shareholding Ratio	2023 Year-end Total Assets	2023 Year-end Net Assets	Net Profit for 2023
SACL	Holding listed company	Transportation	Ground support for air passenger and cargo	205,077	56.97%	2,417,302	1,111,936	39,944
Airport Logistics Company	Wholly owned subsidiary	Transportation	Logistics park management, logistics information consultation	10,000	100%	12,363	10,862	787
Airport Low Altitude Industry Company	Wholly owned subsidiary	Transportation	Aviation operation support services, aviation business services	20,000	100%	5,000	5,000	0
Airport Aerotropolis Development Company	Wholly owned subsidiary	Real estate development, business services	Real estate development, sales, commercial resource leasing management	10,000	100%	398,301	288,406	19,917
Airport Business Company	Wholly owned subsidiary	Business services	Vip services	1,000	100%	24,610	11,618	7,134
Shenzhen Building Company	Wholly owned subsidiary	Accommodation, catering	Accommodation, catering services	5,000	100%	17,366	13,917	233

Airport South Area Transfer Depot Company	Wholly owned subsidiary	Transportation	Domestic freight forwarding and park management services	71,500	100%	63,632	52,755	7
Airport Port Service Company	Joint stock Company	Transportation	Support of wharf passenger and freight	7,241	51.0012%	4,650	-11,468	-756
Chengyuan Oil Company	Joint stock Company	Wholesale and retail	Aviation oil	13,000	36.50%	171,227	53,260	19,552
Airport Oil Company	Joint stock Company	Wholesale and retail	Ground oil	12,300	50%	37,932	26,814	1,662
Air Catering Company	Joint stock Company	Food production	Airline Food	375 (in dollar)	20%	13,163	2,397	332

5. Major projects invested by non-raised funds

Monetary unit: RMB ten thousand yuan

Project Name	Total Planned Investment	Amount Invested in the Reporting Period	Accumulated Actual Investment Amount by the End of the Reporting Period	Project Progress as of the End of the Reporting Period	Project Income
Shenzhen Airport Third Runway Expansion Project (Airport Project)	193,810.00	5,224.01	29,210.25	Complete the construction of G taxiway in the flight area, pavement in the near-end taxiing area, and navigation aid lights in the flight area.	N/A
Satellite Hall Supporting Project and Supporting Oil Supply Project of Shenzhen Airport	349,250.00	4,000.00	318,645.05	All of them have been completed, among which the satellite hall supporting project has been put into use, and the oil depot in the supporting oil supply project has passed the industry acceptance.	During the year, the operating income of the satellite hall supporting project was RMB 150.04 million yuan, the cost was RMB 112.21 million yuan and the total profit was RMB 37.83 million yuan.
Shenzhen Airport T1 Terminal Area and Supporting Facilities Project	1,254,269.00	0	6,226.04	The signing of the implementation agreement of the demolition project of the T1 terminal land preparation project has been completed, and the investment and financing scheme of the project has been further improved.	N/A
Shenzhen Airport South Area Domestic Transfer Depot Project (Shunfeng Phase II)	204,074.17	54,784.52	71,103.43	The main structure construction was carried out, and 51.03% of the overall progress of the project was completed.	N/A

Shenzhen Airport East Zone International Express No.1 Cargo Terminal (UPS Phase II)	53,053.64	12,428.58	16,473.64	The main structure construction has been completed, and the secondary structure construction, decoration and electromechanical engineering have been carried out, completing 49% of the overall progress of the project.	N/A
Shenzhen Airport T3 Station Comprehensive Supporting Housing Project	95,006.00	13,342.64	13,842.64	Complete earth-rock excavation, earthwork excavation and on-site tower crane installation within the foundation pit of the project.	N/A
Education Project of Shenzhen Airport Education Base	114,194.59	8,201.27	16,047.83	Complete foundation pit support and earthwork engineering, tower crane foundation construction, etc.	N/A

VI. Special purpose subjects controlled by the Company

During the reporting period, the Company did not have a special purpose subject under control.

VII. The Company's outlook for the future development

1. The industry competition pattern and development trend

From the global economic environment, thanks to the proactive fiscal and monetary policies adopted by governments, the global economy has further accelerated its recovery. The World Economic Situation and Prospects in 2024 published by the United Nations predicts that the global economic growth rate will rebound to 2.4% in 2024. However, the economic recovery is uneven, and anti-globalization and trade protectionism will continue to affect the global industrial chain and supply chain. The global economy will continue the "three highs and two lows" trend of high inflation, high interest rate, high debt, low growth, and low trade.

Judging from China's economic environment, the fundamentals of China's economic recovery and long-term improvement have not changed,

and its economic development is full of resilience, great potential, and wide space, but it also faces many challenges such as insufficient consumption and export kinetic energy, and risk spillover in the real estate market. In 2024, China will adhere to the general tone of striving for progress while maintaining stability, and promoting economic growth with new vitality. The "Government Work Report" makes it clear that GDP will increase by about 5% in 2024.

Judging from the development environment of the civil aviation industry, civil aviation transportation production is expected to return to natural growth in 2024 and enter the stage of improving quality and increasing efficiency in an all-round way. IATA predicts that the number of passengers worldwide will reach 4.7 billion in 2024, and the global air cargo demand will increase by 4.5%. The Civil Aviation Administration predicts that the passenger traffic on domestic routes will reach 630 million person-times in 2024, which is 7.7 percentage points higher than that in 2019. The international passenger transport market will return to 80% before the epidemic, and the international freight volume will achieve positive growth. However, with the continuous opening of high-speed rail lines, the impact on civil aviation diversion will be further intensified.

From the perspective of Shenzhen's urban development, Shenzhen is making every effort to accelerate the construction of the world's leading and important advanced manufacturing center and the globally influential science

and technology innovation center, consumption center, logistics center and financial center. According to the Report on the Work of Shenzhen Municipal Government in 2024, the main expected goals of Shenzhen's economic and social development in 2024 are: the regional GDP will increase by 5.5%, the investment in fixed assets will increase by 10.0%, the total retail sales of social consumer goods will increase by 7.0%, the regulated industrial added value will increase by 5.5%, the import and export of foreign trade will grow steadily, and the income of residents will increase synchronously with the economy. The vigorous development of the city provides a broad market space for the Shenzhen Airport.

From the perspective of the airport's own development, Shenzhen Airport, as the hub airport in the core geographical position of Guangdong-Hong Kong-Macao Greater Bay Area's world-class airport group, has ushered in a series of major opportunities and multiple benefits, such as "dual-zone" drive, "dual-zone" superposition and "dual-reform" demonstration. It is in the critical period of international aviation hub construction, the critical period of reconstruction and expansion project construction, and the window period of business development, and both opportunities and challenges coexist. Shenzhen Airport will firmly grasp the positioning of the location gateway compound international aviation hub, speed up the construction of a world-class airport, and comprehensively upgrade the energy level of Shenzhen International Hub.

2. Company's development strategy

The year 2024 is the 75th anniversary of the founding of New China, a crucial year for civil aviation to shift from recovery and development to incremental upgrading, and also a crucial year for achieving the Group's "14th Five-Year Plan" objectives. The Company will firmly grasp the positioning of the location gateway compound international aviation hub, anchor the goal of building a world-class airport, promote the Group's five strategies of "Passenger-based, Cargo-based, City-based, Talent-based and Intelligence-based", persist in strengthening the guidance of party building, focus on the "two major propositions" of safety and service, keep a close eye on the "three major sectors" of passenger, cargo, and city, accelerate the development of low-altitude economy, coordinate the implementation of "four batches" quality and efficiency, and promote infrastructure construction. The Company will carry out "five major reforms" such as state-owned enterprise reform, organizational reform, assessment, and incentive reform, improvement of operating efficiency and development of key businesses, and carry out "six promotion actions" such as smart empowerment, green development, overall financial planning, compliance management, internal efficiency, and brand image, so as to achieve the best development results and contribute to Shenzhen's accelerated construction of an economic center city with more global influence and a modern international metropolis.

3. Business plan

In 2024, the Company will implement the "1, 2, 3, 4, 5, 6" work arrangement, achieving 423,000 flights, 58 million passengers and 1.75 million tons of cargo and mail throughput, striving for an operating income of more than RMB 6.7 billion yuan, fully completing the tasks assigned by the municipal party committee and the municipal government, fulfilling the safety and service assessment indicators of the Civil Aviation Administration, and completing various tasks such as business performance, social responsibility and ecological civilization. The Company will focus on the following tasks:

(1) Comprehensively enhance the radiation influence of high-quality innovative international aviation hubs. The Company expands the national "visa-free entry" policy air services, speeds up the opening of passenger air services in emerging markets such as Mexico, strengthens the advantageous hinterland markets in Northeast Asia and Southeast Asia, increases frequency of routes in Singapore and other places, and open or increase frequency of more than five domestic popular routes; The Company deeply participates in the overall planning of Greater Bay Area airspace and coordinate the Civil Aviation Administration to release increment in the peak season; The Company builds a strong main base airline company and deepen cooperation with large hub airports at home and abroad; Shenzhen-Zhongshan Airport and Shenzhen-Jiangmen Airport will be built and put into use, and the flight frequency of Zhuhai-Hengqin route will be increased, so as to optimize multimodal transport.

(2) Comprehensively enhance the competitiveness support of airport-based national logistics hub. The Company attracts domestic and foreign airlines to put in capacity and increase the frequency of international freight routes such as Singapore and Cincinnati, strengthens the cooperation of domestic airports, expands special freight and express goods by e-commerce in Xinjiang and Gansu, strives to open cross-border e-commerce (9610) customs transfer business, fully strengthens cooperation with e-commerce platform giants, optimizes the transportation mode of goods containing batteries, and achieves cross-border e-commerce volume growth of more than 25%; The Company extends the service scope of Greater Bay Area market, and newly builds more than 2 pre-process storehouse and off-site cargo terminals.

(3) Comprehensively promote the construction and development of an international aviation city. The Company accelerates the construction of a "one core and three areas" airport business circle layout, scientifically plans a number of airport industrial projects, enlarges and strengthens the asset scale, and increases the proportion of non-aviation income; The Company optimizes the commercial layout of the terminal building, improves the matrix of direct-operated luxury brands, continues to increase the promotion of e-CNY, builds a demonstration business circle for international payment in Shenzhen, and maintains the leading position of CAPSE airport business services in China; The Company optimizes the supply of hotel

products and maintains the reputation of business and hotel quality in the forefront of national airports; The Company enriches the sea sightseeing routes and promotes the free independent travel of yachts in Guangdong, Hong Kong and Macao.

(4) Fully promote the development of low-altitude economy. The Company jointly sets up a low-altitude flight service platform, jointly completes the declaration of Shenzhen Class A flight service station, builds the exhibition hall of the low-altitude operation management center, and completes the first phase project of Shenzhen low-altitude operation headquarters base; The Company actively strives for low-altitude intelligent integration of infrastructure, the main body of operation and management of civil unmanned aviation test area, and deeply participates in the creation of a national low-altitude economic and industrial comprehensive demonstration zone; The Company further explores application scenarios, taps customer needs, defines business models, coordinates superior resources of all parties, and cultivates new quality productivity of the Group.

(5) Promoting infrastructure construction with both quality and efficiency. The Company accelerates the revision of the airport master plan and completes a new round of revision. According to the principle of moderate advance and economic application, 40 projects should be promoted steadily. The Company promotes the decision-making of building AB project, starts the design of T2 terminal area and supporting facilities, completes the

demolition project of Beijing Shenzhen Building, ensures that CIP-3 and catering building will be started within the year, completes the capping of the main structure of the comprehensive supporting housing and education base project in front of T3 station, and realizes the completion and acceptance of the transportation control complex, the No.1 international express terminal in the East Area and the domestic transshipment warehouse in the South Area.

(6) Fully implement the action of deepening reform and tackling key problems. The Company fully implements the reform of state-owned enterprises, implements 138 reform indicators and tasks at higher levels, and makes overall plans for more than 10 major reform and innovation projects. The Company fully implements organizational reform, takes strategic needs as the guide, and steadily promotes organizational change. The Company fully implements the reform of assessment and incentive, implements the evaluation system of key performance indicators (KPI) covering all employees in the whole region, improves the linkage mechanism of wages and benefits in the same direction, and strengthens the incentive for urgent and dangerous tasks. The Company fully implements the improvement of operating efficiency, builds an index system of operating value, enhances the value of operating resources, and establishes a group marketing management system. The Company fully implements key business development, improves the functional classification of affiliated enterprises, and builds a differentiated and coordinated management and control mechanism.

4. The Company's capital needs

In 2024, the Company's funds were mainly used for the construction of engineering projects and the demand for operating funds. The Company will accelerate the return of funds for operating business, actively raise funds through diversified financing methods such as local government special bonds, corporate bonds, medium-term notes, and bank loans, reasonably control financing costs, and fully guarantee the capital needs of major projects and daily operations.

5. Possible risks

By organizing the identification and evaluation of major risks, through comprehensive judgment, the Group Company will mainly face the following major risks in 2024.

(1) Investment risk: If the preliminary demonstration of investment project is not sufficient, the feasibility study approval of investment project will be delayed, which will lead to the project's failure to start on time; If the investment and financing scheme of the project is unscientific, the investment risk prediction is insufficient and the operating benefit prediction is inaccurate, it will lead to a great deviation between the actual rate of return and the expected rate of return of the investment project; In terms of equity investment, if there are defects in the Company's articles of association, the problem of "holding shares without controlling power" will be added, and the potential equity control will not be in place. The lack of controlling power

may erode the rights and interests of state-owned assets in the holding enterprises.

(2) Risk of economic benefit decline: the profit structure of the Group is relatively simple, the main aviation industry is greatly constrained by airspace resources, and the real estate business is shrinking, which has a certain impact on the realization of profit targets; During the "14th Five-Year Plan" period, the Group concentrated on investing in the construction of large-scale facilities, which led to a substantial increase in capital costs, a rigid increase in depreciation and amortization costs, which further highlighted the risk of economic benefits decline.

(3) Project management risk: If the pre-approval procedures of the project are incomplete, there may be procedural and compliance risks in the project; If the design depth of the project is not enough, major engineering changes will occur in the subsequent construction process, which may lead to excessive adjustment of the project investment budget and delay in the construction period; If the contractors do not perform their duties properly and the project management and supervision responsibilities are lacking during the construction process, the project progress will be delayed, the project quality will be low or the construction safety accidents will occur; If the completion acceptance of the project is not standardized and the quality acceptance is not strict, it may lead to quality hidden dangers in the project; If the construction materials of the project are improperly kept, or the settlement

dispute causes the project settlement audit to be unable to advance, resulting in the failure to handle the completion (handover) acceptance and settlement (final calculation) of the project in time, which may affect the accuracy of the financial statements.

(4) Security risk of information system operation: The continuous operation of the production information system, the potential instability of the new system or new functional module, and the aging of a system may cause the security operation risk of key core information systems such as integration, departure and navigation display to increase obviously; With the increasing number of network viruses and attacks, there may be risks such as leakage and loss of key information, or it will affect the normal operation of the airport.

(5) Safety risks (including six safety risks in the aviation industry): Airport Group focuses on aviation management, including runway safety risks, bird strike prevention risks, clearance safety risks, dangerous goods transportation risks, collision risks among people, vehicles, equipment and aircraft in aircraft activity areas, and damage risks of airport operation support pipelines due to construction.

(6) Aircraft noise control risk: Aircraft noise control is related to people's livelihood and the future development of the airport. The airport needs to cooperate with the government's land planning, urban and rural construction, ecological environment, and other administrative departments, as well as

aviation companies, air traffic control, and other units to implement aircraft noise control, accelerate the disposal of historical issues left over from environmental impact assessment of construction projects, and avoid negative public opinion and compliance risks of engineering construction, which will hinder the development of airport business and the realization of strategic objectives.

The Company attaches great importance to risk management. In view of the above risks, the relevant responsible units have formulated feasible risk response plans. The risk co-ordination department will continue to pay attention to and monitor the management and control of major risks, find and respond to new risks and risk events in business management in time, and provide a strong guarantee for the Company's high-quality development and ensure the smooth operation of the Company's business.

VIII. Explanation of the Board of Directors on the "Non-standard Audit Report" of accounting firms

During the reporting period, ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP) issued a standard audit report with unqualified opinion.

Section V Annual Important Matters

I. Changes in the registered capital of the Company

During the reporting period, the registered capital of the Company increased from RMB 12 billion yuan to RMB 12.65 billion yuan.

II. Changes of the Company's executives

In September 2023, Comrade Lei Xuefeng served as Deputy Secretary of the Party Committee and Director of the Company; Comrade Li Hongmin served as a Member of the Party Committee and Secretary of the Discipline Inspection Commission of the Company; Comrade Chen Fanhua served as the Deputy General Manager of the Company.

In October 2023, Comrade Zhu Enping no longer served as Secretary of the Party Committee and Chairman of the Company.

In November 2023, Comrade Shu Yumin served as Secretary of the Party Committee and Chairman of the Company; Comrade Wang Suichu no longer served as a Member of the Party Committee and Deputy General Manager of the Company, and retired at the specified age.

III. Matters such as merger, division, dissolution, or application for bankruptcy of the Company, and major changes in the business scope of the Company

(1) During the reporting period, there was no merger, division, dissolution, or bankruptcy filing of the Company.

(II) During the reporting period, there was no significant change in the business scope of the Company.

IV. Major investment behaviors, major financing behaviors, related guarantees, related loans, and major contingencies of the Company

1. Major investment matters

During the reporting period, the Company's accumulated investment in major construction projects was RMB 1,748,290,100 yuan. Among them:

(1) There are 10 preliminary projects, including the T1 terminal area and supporting facilities, the North freight area, and supporting facilities, with an investment of RMB 3,221,000 yuan.

(2) A total of seven new projects were started, including the first phase of the new international cargo terminal in the South Freight Zone, the South Freight Station at the Airport, and the comprehensive supporting housing in front of the T3 station, with an investment of RMB 319,014,400 yuan.

(3) There are 19 projects to be continued, including the expansion project of the third runway (airport project), the domestic transshipment warehouse in the southern area (Shunfeng Phase II), the international express cargo terminal No.1 in the eastern area (UPS Phase II), the international transshipment cargo terminal No.1 in the eastern area (DHL Phase I), the freight forwarding warehouse No.1 in the southern freight area, and the transportation control complex, etc., with an investment of RMB 1,422,534,000 yuan.

(4) There are 2 other projects (extra-budgetary projects), including the completion of the quality improvement project of the original T3 reserved section of the underpass in the flight area, the preliminary work of the T2 terminal area and supporting facilities (iron-related part), etc., with an investment of RMB 3,520,700 yuan.

2. Major financing matters

During the reporting period, RMB 500 million yuan of corporate bonds were issued with a term of 3 years and an interest rate of 2.89% to repay the corporate bonds due. By the end of the reporting period, the balance of corporate bonds still in existence was RMB 2.5 billion yuan.

3. Related-party guarantee matters

During the reporting period, there was a total of one guarantee still in existence, that is, the Company provided RMB 640 million yuan of credit guarantee for the shareholding enterprises outside the scope of the consolidated statements according to the proportion of shares. By the end of the reporting period, the guarantee balance was RMB 569.91 million yuan.

The details are as follows:

Monetary unit: RMB ten thousand yuan

Name of Guarantee Object	Actual Occurrence Date	Actual Guarantee Amount	Guarantee Balance	Guarantee Type	Guarantee Period	Whether Guarantee for Related Parties
Shenzhen Chuangke Park Investment Co., Ltd.	December 2021	64,000	56,991	Credit guaranty	2021.12-2031.12	Yes

4. Related loans

During the reporting period, there was one related party loan still in existence, that is, the Company provided a shareholder loan of RMB 296 million yuan to Shenzhen Chuangke Park Investment Co., Ltd. in November 2021.

5. Major contingencies

During the reporting period, there was one major contingency, namely, the Jindonghai Group sued Municipal Corporation and Airport Group for a project payment dispute.

In November 2010, the Municipal Corporation won the bid for the first bid of Shenzhen Airport Terminal Area Extension Project, and the project was completed and accepted in October 2013. In 2018, Jindonghai Group claimed that the project was actually implemented by it, and sued Airport Group and Municipal Corporation for project settlement disputes, amounting to RMB 21.7 million yuan. The Baoan District People's Court of First Instance supported all its claims. The Airport Group refused to accept the judgment of the first instance and filed a second instance. In September 2020, the Shenzhen Intermediate People's Court changed the judgment and rejected all the claims of the Jin Donghai Group. Jin Donghai refused to accept the second-instance judgment and filed a retrial. On February 15, 2023, the Guangdong Higher People's Court held a retrial hearing, and on June 7, 2024, a retrial judgment was issued by the Guangdong Higher People's Court. The Provincial Higher People's Court considered that Jin Donghai Company had insufficient retrial basis and upheld the second-instance judgment.

V. Significant losses or damages of the Company

During the reporting period, the Company had no significant losses or significant damages

VI. Employment and dismissal of accounting firms by the Company

In the reporting year, the Company hired ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP) as the annual audit institution. This audit institution has provided audit services for the Company for four consecutive years.

Section VI Corporate Governance

I. The basic situation of corporate governance

During the reporting period, Our Company strictly complied with laws and regulations, thoroughly implemented the requirements of "Two Consistency", continuously improved the modern enterprise system with China characteristics, improved the internal control system, and standardized the company operation, as well as effectively played the roles of the Party Committee of Our Company in "guiding the direction, controlling the overall situation and ensuring the implementation", the Board of Directors in "setting the strategy, making the decision and preventing the risk", and the Management Layer in "planning the operation, supervising the implementation and strengthening the management".

The Board of Directors of the Company insisted on scientific, democratic and legal decision-making, convened board meetings on schedule, and reviewed various proposals in time, ensuring the timeliness and standardization of the Company's decisions. In 2023, the Board of Directors held 12 meetings and made 48 resolutions, which played an important role in

the Company's efficient and healthy development. At the same time, major business management issues are discussed by the Party Committee before making decisions. The Managers report the implementation of major decisions to the Board of Directors in a timely manner, which embodies the spirit of the Managers being highly responsible to the Board of Directors.

During the reporting period, the Company further established and improved its institutional system, and formulated and improved a number of corporate governance systems, such as the Implementation Measures for Implementing the “Three Decisions and Use of Large Funds” Decision-making System, the List of Rights and Responsibilities of Corporate Governance Subjects, the Interim Measures for Compliance Management, the Fund Management System, the Administrative Measures for Accounting Policies and Accounting Estimates, and the Provisions on Contract Management.

II. Performance of duties by external directors during the reporting period

1. External directors' attendance at the Board of Directors meeting

Name of External Director	Number of Attendance at the Board of Directors Meeting during Reporting Period	On-site Attendance	Number of Attendance in Remote Mode	Number of Entrusted Attendance	Number of Absence
Liu Xiuli	12	4	7	1	0
Zhang Ruili	12	5	7	0	0
Xiao Chunlin	12	5	7	0	0
Chen Huigen	12	5	7	0	0
Xie Lanjun	12	4	7	1	0

Zou Jianjun	12	5	7	0	0
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2. Objections raised by the external directors to the relevant matters of the Company

During the reporting period, Director Chen Huigen abstained from voting on the Proposal on Investing in the Establishment of Shenzhen Airport No.1 Cargo Terminal Co., Ltd., thinking that the feasibility study report did not fully demonstrate the necessity of investment.

3. Other explanations on the performance of duties by external directors

The Company's external directors performed their duties entrusted by laws and regulations and the Articles of Association, actively participated in board meetings, special briefings for external directors and other meetings, carefully considered various proposals, gave full play to their professional advantages, and expressed many valuable opinions and suggestions in combination with the actual development of the airport.

When deliberating the draft budget of the Group Company in 2023, the external directors proposed that the Company should seize the development opportunity, vigorously expand its business, continuously improve its ability to tap potential and increase income, and fully fulfill all the business indicators issued by its superiors.

When deliberating the 2023 annual assessment target responsibility letter of senior executives of the Group Company, the external directors proposed that the assessment indicators should be tilted towards key tasks and key areas,

and give full play to the role of the assessment as a baton.

When deliberating the Report on the Internal Audit Work of Group Company in 2022 and the Internal Audit Work Plan for 2023, the external directors proposed that the Company should fully perform its audit supervision duties, carry out accurate supervision on core business areas and key links, and attach great importance to the application of audit results to further improve audit efficiency.

When deliberating the Measures for Compliance Management, the members attending the meeting suggested that the Group Company should accelerate the full coverage of the compliance system, deepen the compliance construction in key areas, fill in the shortcomings of compliance construction, and give full play to the important role of compliance management service development and risk prevention and control.

When deliberating the investment in the establishment of the tax-free joint venture company of Shenzhen Airport, the external directors suggested that we should pay attention to operational risks and legal risks, and further study the ownership structure and actual management in the Company's articles of association.

When deliberating and starting the revision of the master plan of Shenzhen Baoan International Airport, the external directors proposed that the revision of the master plan should focus on the core issues, eliminate unnecessary revision items, and further reduce costs to ensure that the

Company's annual performance indicators will not be affected.

The above suggestions have been adopted by the Company and gradually implemented.

In addition, the external directors focused on the most prominent key and difficult work of the Group's current development, and made on-the-spot investigations on five key projects, such as the No.1 international transshipment terminal in the East Area, the domestic transshipment warehouse in the South Area, the inter-city demolition assets of Shenzhen-Jiangmen Railway and Shenzhen International Airport-Dayawan Intercity Railway, the satellite hall and the DU05-05 plot, and put forward many constructive opinions and suggestions from a strategic perspective, and formed high-quality research reports to feedback to the Management Layer.

III. Performance of duties by the special committees of the board of directors

During the reporting period, the Company effectively played the role of professional deliberation and consultation of special committees, and held 10 meetings of special committees throughout the year. Among them, there were 3 meetings of the Strategy and Investment Committee, 4 meetings of the Remuneration and Appraisal Committee and 3 meetings of the Audit and Risk Committee. A total of 12 proposals were considered at the meetings of various special committees. After research and discussion, it was unanimously agreed to submit the proposals and constructive suggestions to

the board of directors of the Company for consideration.

IV. Work of the Board of Supervisors

In 2023, the Board of Supervisors of the Company earnestly performed its supervisory duties, strictly implemented the reporting system, and effectively carried out a series of work in accordance with the Company Law of the People's Republic of China (PRC) and other relevant national laws and regulations and the Articles of Association, as well as the requirements of the Guidelines for the Work of Supervisors Assigned by Shenzhen State-owned Assets Supervision and Administration Commission and the Key Points of Supervision and Inspection Work of Shenzhen State-owned Assets Supervision and Administration Commission in 2023. During the reporting period, members of the Board of Supervisors attended on-site meetings of the Board of Directors of the Company, held three meetings of the Board of Supervisors, reviewed 48 voting results of the Board of Directors, and conducted supervision according to law. The Board of Supervisors and the Chief Financial Officer of the Company issued a letter to the Management Layer about business risks, a letter of suggestion on upgrading the lease of resource assets, and an independent audit opinion on asset disposal and account write-off. At the same time, members of the Board of Supervisors read and reviewed relevant reports and statements, carried out field research and other work, actively performed their supervisory duties, and effectively communicated with the Company's leadership and related personnel.

The Board of Supervisors believes that during the reporting period, all directors earnestly and diligently performed their duties entrusted by the Articles of Association, fulfilled their duties, and successfully completed the work of the Board of Directors. The board of directors can give full play to its decision-making function, disclose the relevant information and annual report of the Company truthfully, accurately, and completely, and take ultimate responsibility for its completeness and accuracy. The senior executives of the Group Company strengthened management around the annual business objectives, comprehensively promoted the high-quality development of Shenzhen Airport, and successfully completed various tasks determined by the board of directors. The Company's financial statements are true and complete, and there are no accounting items that affect its financial position and annual operating results. The accounting is in compliance and the operating results are true. The Board of Supervisors has no objection to the supervision matters during the reporting period.

Section VII Internal Control Management

I. The system construction and annual implementation evaluation of the main links of production and operation

The Company is risk-oriented, control-oriented, governance-centered, and value-added, and has built a perfect internal control management system in its headquarters and affiliated enterprises, covering all businesses of the

Company's production and operation. Through continuous improvement, the Company's headquarters has 222 existing systems and 202 three-level internal control processes in 2023, covering key businesses and important fields such as accounting control, asset management, investment management, and procurement management. The affiliated enterprises have established an effective internal control management system in compliance with national laws and regulations, regulatory documents, and company systems.

II. The Company Management Layer's self-evaluation conclusion on the internal control mechanism of the Company

The Management Layer of the Company believes that the Company has established an internal control system suitable for its development strategy, organizational structure, and business scope. According to the Company's internal control defect identification standard, during the reporting period, the Company's internal control system was effectively implemented, achieving the internal control management objectives, and there were no major defects or important defects.

III. Enterprise risk management

1. Risk management principles and strategies

The Company carries out and implements internal control based on risk management, and follows the principles of legality, comprehensiveness, importance, balance, effectiveness, adaptability, and cost-effectiveness.

Risk management strategies include risk taking, risk avoidance, risk

transfer, risk hedging, risk compensation, and risk reduction. The Company insists on striving for progress while maintaining stability, so as to avoid the occurrence of big risk loss events.

2. Risk management organization system

The board of directors comprehensively grasps and makes decisions on risk management, and the board of supervisors supervises and guides the construction and operation of risk management. The Audit and Risk Committee evaluates the effectiveness of the risk control system and continuously monitors the implementation of related work. Managers organize and lead the daily operation of internal control in the unit. As the risk control coordinating department, the Audit and Legal Department is responsible for organizing and implementing the work of the Company's risk control system. All functional departments, business units, and affiliated enterprises are responsible units for risk management and control, and full-time or part-time risk control staff have been set up to fully implement the task of building a risk control system. The Company has clearly defined the responsibilities of the three lines of defense for comprehensive risk management to ensure the implementation and improvement of enterprise risk management.

3. Risk management

In 2023, the Company's major risk management was fully implemented and the work policy of preventing risks and seeing practical results was

adopted. All major risk prevention and resolution plans were completed, and major risks were effectively prevented and controlled.

Section VIII Social Responsibility

The Company will disclose the 2023 Social Responsibility Report of Shenzhen Airport Group, and the inquiry website is https://www.szairport.com/szairport/shzrbg/gywm_dlm_list.shtml.

Section IX Financial Report

I. Audit opinion conclusion of the Company's final financial statements

In the reporting year, ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP) issued a standard audit report with unqualified opinion with the number of "Z. X. C. S. No. 2024S01634".

II. Audited consolidated financial statements

Consolidated Balance Sheet

December 31, 2023

Prepared by: Shenzhen Airport (Group) Co., Ltd.

Unit: RMB (Yuan)

Items	Note. VIII	Year end balance	Last year-end balance
Current Assets:			
Monetary fund	(I)	5,396,404,738.17	9,726,663,156.28
Trading financial assets	(II)	210,418.60	-
Derivative financial assets		-	-
Notes receivable		-	-
Accounts receivable	(III)	938,092,884.38	612,565,977.63
Financing of receivables		-	-
Advance payment	(IV)	25,617,751.21	11,520,254.84
Other receivables	(V)	185,727,359.47	117,907,645.03
Including: interest receivable		20,725,004.67	79,746,358.45
Dividends receivable		-	10,603,970.56
Buying back the sale of financial assets		-	-
Inventories	(VI)	247,689,930.10	624,827,606.57
Contract assets		-	-
Hold assets for special sale		-	-
Non-current assets due within one year	(VII)	333,888,920.28	217,636,164.10
Other current assets	(VIII)	2,601,553,640.69	3,078,824,180.41
Total of current assets		9,729,185,642.90	14,389,944,984.66
Non-current assets:			
Debt investment	(IX)	2,853,311,685.02	1,253,939,624.79
Other debt investment		-	-
Long-term receivables	(X)	296,000,000.00	296,000,000.00
Long-term equity investment	(XI)	2,123,792,617.59	1,738,246,899.20
Investments in other equity instruments	(XII)	55,391,176.47	55,391,176.47
Other non-current financial assets	(XIII)	196,101,075.49	200,000,000.00
Investment property	(XIV)	2,404,854,069.48	2,295,988,683.14
Fixed assets	(XV)	20,209,509,215.16	21,705,262,027.40
Construction in progress	(XVI)	9,826,218,757.11	7,898,373,836.92
Productive biological assets		-	-
Oil and gas safety production		-	-
Right-of-use assets		-	-
Intangible assets	(XVII)	6,393,362,484.32	6,509,995,509.01
Development expenditures		-	-
Goodwill		-	-
Long term deferred expenses	(XVIII)	33,224,996.51	43,157,938.53
Deferred income tax assets	(XIX)	936,987,127.65	1,606,582,077.23
Other non-current assets	(XX)	287,150,496.11	287,150,496.11
Total non-current assets		45,615,903,700.91	43,890,088,268.80
Total assets		55,345,089,343.81	58,280,033,253.46

The Notes to the financial statements on pages 16 to 118 are an integral part of this financial statement

Consolidated Balance Sheet (continued)

December 31, 2023

Prepared by: Shenzhen Airport (Group) Co., Ltd.

Unit: RMB (Yuan)

Items	Note. VIII	Year end balance	Last year-end balance
Current liabilities:			
Short-term loan		-	-
Trading financial liabilities		-	-
Derivative financial liabilities		-	-
Notes payable		-	-
Accounts payable	(XXI)	719,313,997.63	858,163,457.14
Advance payment	(XXII)	179,601,345.11	202,376,730.58
Contractual liabilities	(XXIII)	124,038,797.31	968,477,702.25
Remuneration payable to employees	(XXIV)	439,800,855.86	384,857,015.58
Taxes payable	(XXV)	493,829,083.13	2,165,782,803.35
Other payables	(XXVI)	3,105,253,184.10	4,459,088,365.90
Including: interest payable		81,303,349.68	81,082,045.89
Dividends payable		-	-
Liabilities held for sale		-	-
Non-current liabilities due within one year	(XXVII)	27,930,000.00	499,770,974.32
Other current liabilities	(XXVIII)	5,636,777.81	48,197,851.04
Total current liabilities		5,095,404,040.95	9,586,714,900.16
Non-current liabilities:			
Long-term loan	(XXIX)	207,550,000.00	236,050,000.00
Bonds payable	(XXX)	2,498,928,334.75	1,998,750,980.49
Including: preferred stock		-	-
Perpetual debt		-	-
Lease liabilities		-	-
Long-term payables	(XXXI)	6,358,000,000.00	6,300,000,000.00
Long-term remuneration payable to employees	(XXXII)	446,673.20	446,673.20
Estimated liabilities	(XXXIII)	20,229,723.27	5,597,929.38
Deferred benefits	(XXXIV)	93,023,137.95	61,223,852.60
Deferred income tax liabilities	(XIX)	203,525,954.10	220,308,957.37
Other non-current liabilities	(XXXV)		270,000,000.00
Total non-current liabilities		9,381,703,823.27	9,092,378,393.04
Total liabilities		14,477,107,864.22	18,679,093,293.20
Owner's equity			
Paid-in capital	(XXXVI)	12,650,000,000.00	12,000,000,000.00
Other equity instruments		-	-
Including: preferred stock		-	-
Perpetual debt		-	-
Contributed surplus	(XXXVII)	16,361,753,639.72	16,429,801,549.91
Minus: Treasury stocks		-	-
Other comprehensive income	(XXXVIII)	254,267.51	264,267.51
Special reserve	(XXXIX)	91,144.91	96,408.64
Earned surplus	(XL)	869,646,777.59	869,646,777.59
Undistributed profits	(XLI)	6,082,083,751.37	5,616,658,601.53
Total equity attributable to owner of parent company		35,963,829,581.10	34,916,457,605.18
Equity of minority shareholders		4,904,151,898.49	4,684,482,355.08
Total owner's equity		40,867,981,479.59	39,600,939,960.26
Total liabilities and owner's equity		55,345,089,343.81	58,280,033,253.46

The Notes to the financial statements on pages 16 to 118 are an integral part of this financial statement

Consolidated Income Statement

Year 2023

Prepared by: Shenzhen Airport (Group) Co., Ltd.

Unit: RMB (Yuan)

Items	Note. VIII	Amount incurred in current year	Amount incurred in last year
I. Total operating income		6,896,037,616.81	5,641,279,948.72
Including: Operating income	(XLII)	6,896,037,616.81	5,641,279,948.72
II. Total operating cost		6,779,249,826.33	6,813,749,036.07
Including: operating cost	(XLII)	5,602,608,784.18	5,372,815,173.66
Taxes and surcharges	(XLIII)	608,915,047.44	813,717,297.86
Cost of sales	(XLIV)	17,115,457.18	34,804,209.72
Management cost	(XLIV)	322,591,279.87	364,965,013.07
R&D expenses		-	-
Financial expenses	(XLIV)	228,019,257.66	227,447,341.76
Including: interest expense		294,079,306.55	345,712,670.13
Interest income		67,365,060.99	107,203,585.85
Plus: Other income	(XLV)	109,146,936.36	42,006,561.48
Investment income (losses are filled with "-")	(XLVI)	258,891,248.27	186,499,973.13
Including: investment income from joint ventures and cooperative enterprises		75,450,452.05	-19,106,161.52
Income from derecognition of financial assets measured in amortized cost (losses are filled with "-")		-	-
Net exposure hedging gains (losses are filled with "-")		-	-
Fair value change income (losses are filled with "-")	(XLVII)	-3,982,737.58	-
Credit impairment loss (losses are filled with "-")	(XLVIII)	-30,512,696.99	-6,368,739.77
Asset impairment loss (losses are filled with "-")	(XLIX)	-4,547,591.05	-
Assets disposal income (losses are filled with "-")	(L)	428,189,305.37	-126,378.75
III. Operating profit (losses are filled with "-")		873,972,254.86	-950,457,671.26
Plus: non-operating income	(LI)	48,913,434.11	13,195,302.39
Minus: non-operating expenses	(LII)	17,604,445.28	21,877,980.17
IV. Total profit (total loss is filled with "-")		905,281,243.69	-959,140,349.04
Minus: income tax expenses	(LIII)	220,186,550.44	-184,976,185.81
V. Net profit (net loss is filled with "-")		685,094,693.25	-774,164,163.23
(1) Classification by business continuity			
1. Net profit from continuing operations (net loss is filled with "-")		685,094,693.25	-774,164,163.23
2. Net profit from discontinued operation (net loss is filled with "-")		-	-
(2) Classification by ownership			
1. Net profit attributable to the owner of the parent company (net loss is filled with "-")		465,425,149.84	-322,558,180.85
2. Profit and loss of minority shareholders (net loss is filled with "-")		219,669,543.41	-451,605,982.38
VI. Net amount after tax of other comprehensive income		-	-
(I) Net of tax of other comprehensive income attributable to owners of the parent company		-	-
1. Other comprehensive income that cannot be reclassified into profit or loss		-	-
(1) Re-measure the amount of change in defined benefit plans		-	-
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method		-	-
(3) Changes in fair value of investment in other equity instruments		-	-
(4) Changes in the fair value of the enterprise's own credit risk		-	-
2. Other comprehensive income that will be reclassified into profit or loss		-	-
(1) Other comprehensive income that can be transferred to profit or loss under the equity method		-	-
(2) Changes in the fair value of other debt investments		-	-
(3) The amount of financial assets reclassified into other comprehensive income		-	-
(4) Preparation for credit impairment of other creditor's rights investment		-	-
(5) Cash flow hedging reserve (an effective part of cash flow hedging gains and losses)		-	-
(6) Translation reserve		-	-
(II) After-tax net amount of other comprehensive income attributable to minority shareholder		-	-
VII. Total comprehensive income		685,094,693.25	-774,164,163.23
Comprehensive income attributable to owners of the parent company		465,425,149.84	-322,658,180.85
Total comprehensive income attributable to minority shareholders		219,669,543.41	-451,605,982.38

The Notes to the financial statements on pages 16 to 118 are an integral part of this financial statement

Consolidated Statement of Cash Flow
Year 2023

Prepared by: Shenzhen Airport (Group) Co., Ltd.

Unit: RMB (Yuan)

Items	Note. VIII	Amount incurred in current year	Amount incurred in last year
I. Cash flow from business activities:			
Cash received from selling goods and providing services		6,091,503,551.04	5,123,415,215.96
Tax refund received		64,495,884.65	224,628,499.30
Other cash related to business activities received		1,425,258,926.39	1,466,025,566.63
Subtotal cash inflow from operating activities		7,581,258,342.08	6,814,069,281.89
Cash paid for purchasing goods and receiving labor services		1,992,656,372.61	1,396,991,199.37
Cash paid to and for employees		2,147,483,346.71	1,992,376,355.85
Various taxes and fees paid		2,584,420,508.92	536,940,397.33
Pay other cash related to business activities		1,561,614,408.12	1,572,835,820.78
Subtotal cash outflow from operating activities		8,286,174,636.36	5,499,143,773.33
Net cash flow from operating activities		-704,916,294.28	1,314,925,508.56
II. Cash flow from investment activities:			
Cash received from investment recovery		9,450,000,000.00	17,238,400,000.00
Cash received from investment income		343,102,395.88	347,838,989.33
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		286,467,601.40	1,454,813.73
Net cash recovered from disposal of subsidiaries and other business positions			-
Receive other cash related to investment activities		314,138,496.10	429,666,695.86
Subtotal cash inflow from investment activities		10,393,708,493.38	18,017,360,478.92
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		3,520,725,706.95	3,608,170,595.42
Cash paid by investment		9,484,410,000.00	1,333,550,000.00
Net increase of pledged loans			-
Obtain the net cash paid by subsidiaries and other business units			-
Pay other cash related to investment activities		250,000,000.00	12,300,000,000.00
Subtotal cash outflow from investment activities		13,255,135,706.95	17,241,720,595.42
Net cash flow from investment activities		-2,861,427,213.57	775,639,883.50
III. Cash flow from fund-raising activities:			
Cash received from investment absorption		650,000,000.00	-
Including: cash received by subsidiaries to absorb minority shareholders' investment			-
Cash received by borrowing		779,500,000.00	4,234,250,000.00
Receive other cash related to fund-raising activities		192,411,534.88	433,370,000.00
Subtotal cash inflow from financing activities		1,621,911,534.88	4,667,620,000.00
Cash paid for debt repayment		722,570,000.00	6,000,000,000.00
Cash paid to distribute dividends, profits or repay interest		294,956,818.76	435,555,458.68
Including: dividends and profits paid by subsidiaries to minority shareholders			26,474,219.31
Pay other cash related to fund-raising activities		368,687,606.27	519,461,177.66
Subtotal cash outflow from financing activities		1,386,214,425.03	6,955,016,636.34
Net cash flow from fund-raising activities		235,697,109.85	-2,287,396,636.34
IV. Impact of exchange rate changes on cash and cash equivalents		387,979.89	2,039,492.79
V. Net increase in cash and cash equivalents		-3,330,258,418.11	-194,791,751.49
Add: balance of initial cash and cash equivalents	(LI)	6,726,663,156.28	6,921,454,907.77
VI. Balance of term-end cash and cash equivalents	(LI)	3,396,404,738.17	6,726,663,156.28

The Notes to the financial statements on pages 16 to 118 are an integral part of this financial statement

Consolidated Statement of Changes in Owner's Equity

Year 2023

Prepared by: Shenzhen Airport (Group) Co., Ltd.

Unit: RMB (Yuan)

Items	Current Year's Amount											
	Equity attributable to owner of parent company										Equity of minority shareholders	Total owner's equity
	Paid-in capital	Other equity instruments			Contributed surplus	Other comprehensive income	Special reserve	Earned surplus	Undistributed profits	Subtotal		
Preferred stock	Perpetual debt	Others										
I. Ending balance of previous period	12,000,000,000.00	-	-	-	16,429,801,549.91	254,267.51	96,408.64	869,646,777.59	5,616,658,601.53	34,916,457,605.18	4,684,482,355.08	39,600,939,960.26
For example: Changes in accounting policies										-		-
Early error correction										-		-
Business consolidation under the same control										-		-
Others										-		-
II. Initial balance of the current period	12,000,000,000.00	-	-	-	16,429,801,549.91	254,267.51	96,408.64	869,646,777.59	5,616,658,601.53	34,916,457,605.18	4,684,482,355.08	38,600,939,260.26
III. Amount of increase or decrease in the current period (decrease is filled with "-")	650,000,000.00	-	-	-	-68,047,910.19	-	-5,263.73	-	465,425,149.84	1,047,371,975.92	219,669,543.41	1,267,041,519.33
(I) Total comprehensive income	-	-	-	-	-	-	-	-	465,425,149.84	465,425,149.84	219,669,543.41	684,094,093.25
(II) Invested and reduced capital of the owner	650,000,000.00	-	-	-	-68,047,910.19	-	-	-		561,952,083.81	-	581,952,083.81
1. Common stock invested by the owner	650,000,000.00	-	-	-	-	-	-	-		65,000,000,000.00	-	650,000,000.00
2. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-		-	-	-
3. The amount of share-based payment included in the owner's equity	-	-	-	-	-	-	-	-		-	-	-
4. Others	-	-	-	-	-68,047,910.19	-	-	-		-68,047,910.19	-	-68,047,910.19
(III) Distribution of profits	-	-	-	-	-	-	-	-		-	-	-
1. Withdraw surplus reserve	-	-	-	-	-	-	-	-		-	-	-
2. Distribution to owners	-	-	-	-	-	-	-	-		-	-	-
3. Others	-	-	-	-	-	-	-	-		-	-	-
(IV) Internal carry-over of owner's equity	-	-	-	-	-	-	-	-		-	-	-
1. Capital reserve converted into capital	-	-	-	-	-	-	-	-		-	-	-
2. Surplus reserve converted into capital	-	-	-	-	-	-	-	-		-	-	-
3. Surplus reserve making up for losses	-	-	-	-	-	-	-	-		-	-	-
4. The retained earnings are carried forward from the changes in defined benefit plans	-	-	-	-	-	-	-	-		-	-	-
5. Others	-	-	-	-	-	-	-	-		-	-	-
(V) Others	-	-	-	-	-	-	-5,263.73	-		-5,263.73	-	-5,263.73
IV. Ending balance of the current period	12,650,000,000.00	-	-	-	16,361,753,639.72	254,267.51	91,144.91	869,646,777.59	6,082,083,751.37	35,963,829,581.10	4,904,151,898.49	40,867,981,479.59

The Notes to the financial statements on pages 16 to 118 are an integral part of this financial statement

Consolidated Statement of Changes in Owner's Equity (continued)

Year 2023

Prepared by: Shenzhen Airport (Group) Co., Ltd.

Unit: RMB (Yuan)

Items	Current Year's Amount											
	Equity attributable to owner of parent company										Equity of minority shareholders	Total owner's equity
	Paid-in capital	Other equity instruments			Contributed surplus	Other comprehensive income	Special reserve	Earned surplus	Undistributed profits	Subtotal		
Preferred stock	Perpetual debt	Others										
I. Ending balance of previous period	12,000,000,000.00	-	-	-	16,335,412,338.81	254,267.51	49,938.44	869,646,777.59	5,991,514,781.84	35,196,878,104.19	5,156,715,940.04	40,353,594,044.23
For example: Changes in accounting policies										-		-
Early error correction										-		-
Business consolidation under the same control										-		-
Others										-		-
II. Initial balance of the current period	12,000,000,000.00	-	-	-	16,335,412,338.81	254,267.51	49,938.44	869,646,777.59	5,991,514,781.84	35,196,878,104.19	5,156,715,940.04	40,353,594,044.23
III. Amount of increase or decrease in the current period (decrease is filled with "-")		-	-	-	94,389,211.10	-	46,470.20	-	-374,856,180.31	-280,420,499.01	-472,233,584.96	-752,654,083.97
(I) Total comprehensive income		-	-	-	-	-	-	-	-322,558,180.85	-322,558,180.85	-451,605,982.38	-774,164,163.23
(II) Invested and reduced capital of the owner		-	-	-	94,389,211.10	-	-	-	-	94,389,211.10	5,846,616.73	100,235,827.83
1. Common stock invested by the owner		-	-	-	-	-	-	-	-	-	-	-
2. Capital invested by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. The amount of share-based payment included in the owner's equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	94,389,211.10	-	-	-	-	94,389,211.10	5,848,616.73	100,235,827.83
(III) Distribution of profits	-	-	-	-	-	-	-	-	-52,297,999.46	-52,297,999.46	-26,474,219.31	-78,772,218.77
1. Withdraw surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution to owners	-	-	-	-	-	-	-	-	-52,297,999.46	-52,297,999.46	-26,474,219.31	-78,772,218.77
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal carry-over of owner's equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital reserve converted into capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserve converted into capital	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserve making up for losses	-	-	-	-	-	-	-	-	-	-	-	-
4. The retained earnings are carried forward from the changes in defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Others	-	-	-	-	-	-	46,470.20	-	-	46,470.20	-	46,470.20
IV. Ending balance of the current period	12,000,000,000.00	-	-	-	16,429,801,549.91	254,267.51	96,408.64	869,646,777.59	5,616,658,601.53	34,916,457,605.18	4,684,482,355.08	39,690,939,960.26

The Notes to the financial statements on pages 16 to 118 are an integral part of this financial statement

Section X Catalogue of Documents for Reference

(1) Financial statements bearing the signatures and seals of the Company's legal representative, the person in charge of accounting work and the person in charge of accounting institutions.

(II) The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant.

(III) Other relevant information.

(IV) The above documents are kept in the office of the board of directors of the Company.

Chairman: Shu Yumin

Shenzhen Airport (Group) Co., Ltd.

June 30, 2024