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CATHAY PACIFIC AIRWAYS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Announcement

2024 Annual Results

Financial and Operational Highlights

Group Financial Statistics

Results		2024	2023	Change
Revenue	HK\$ million	104,371	94,485	+10.5%
Profit attributable to the shareholders of the Cathay Group	HK\$ million	9,888	9,789	+1.0%
Earnings per ordinary share				
- basic	HK cents	149.2	140.8	+6.0%
- diluted	HK cents	133.2	125.8	+5.9%
Dividend per ordinary share	HK\$	0.69	0.43	+60.5%
Profit margin	%	9.5	10.4	-0.9%pt
Financial position				
Funds attributable to the shareholders of the Cathay Group	HK\$ million	52,500	60,026	-12.5%
Net borrowings ^(a)	HK\$ million	57,941	52,764	+9.8%
Available unrestricted liquidity	HK\$ million	19,073	19,985	-4.6%
Ordinary shareholders' funds per ordinary share ^(b)	HK\$	8.2	7.8	+5.1%
Net debt/equity ratio ^(a)	Times	1.10	0.88	+0.22 times

Operating Statistics

		2024	2023	Change
The Company				
Available tonne kilometres ("ATK")	Million	24,836	21,225	+17.0%
Revenue tonne kilometres ("RTK")	Million	17,362	15,090	+15.1%
Cost per ATK (with fuel) ^(c)	HK\$	3.40	3.55	-4.2%
Fuel consumption per million ATK	Barrels	1,289	1,241	+3.9%
Fuel consumption per million RTK	Barrels	1,844	1,746	+5.6%
Cost per ATK (without fuel) ^(c)	HK\$	2.36	2.47	-4.5%
ATK per HK\$'000 staff cost	Unit	1,853	1,793	+3.3%
ATK per employee	'000	1,081	1,165	-7.2%
Aircraft utilisation (including parked aircraft)	Hours per day	9.4	7.7	+22.1%
Average age of fleet	Years	11.8	11.1	+0.7 year
GHG emissions	Million tonnes of CO ₂ e	12.8	10.6	+20.8%
GHG emissions per ATK	Grammes of CO ₂ e	517	499	+3.6%
Total recordable injury frequency rate	No. of injuries/200,000 hours worked	10.3	16.1	-36.0%
Cathay Pacific				
Available seat kilometres ("ASK")	Million	111,789	85,607	+30.6%
Revenue passenger kilometres ("RPK")	Million	93,016	73,342	+26.8%
Passenger revenue per ASK	HK cents	56.0	65.4	-14.4%
Revenue passengers carried	'000	22,827	17,985	+26.9%
Passenger load factor	%	83.2	85.7	-2.5%pt
Passenger yield	HK cents	67.3	76.3	-11.8%
On-time performance (passenger)	%	72.9	76.2	-3.3%pt
Cathay Cargo				
Available freight tonne kilometres ("AFTK")	Million	14,193	13,069	+8.6%
Revenue freight tonne kilometres ("RFTK")	Million	8,503	8,099	+5.0%
Cargo revenue per AFTK	HK\$	1.69	1.70	-0.6%
Cargo carried	'000 tonnes	1,532	1,381	+10.9%
Cargo load factor	%	59.9	62.0	-2.1%pt
Cargo yield	HK\$	2.82	2.74	+2.9%
HK Express				
Available seat kilometres ("ASK")	Million	13,764	9,432	+45.9%
Passenger revenue per ASK	HK cents	43.5	58.1	-25.1%
Revenue passenger kilometres ("RPK")	Million	11,481	8,112	+41.5%
Revenue passengers carried	'000	6,100	4,146	+47.1%
Passenger load factor	%	83.4	86.0	-2.6%pt
Passenger yield	HK cents	52.2	67.6	-22.8%
On-time performance	%	79.1	87.6	-8.5%pt
Average age of fleet	Years	7.1	7.1	-

(a) Adjusted net borrowings and the net debt/equity ratio excluding leases without asset transfer components are HK\$47,097 million (2023: HK\$41,443 million) and 0.90 (2023: 0.69) respectively.

(b) Ordinary shareholders' funds in 2023 were arrived at after deducting preference shares reserve of HK\$9,750 million and unpaid cumulative dividends attributable to the preference shareholder of HK\$191 million as at 31st December 2023.

(c) Cost per ATK represents total operating costs divided by ATK for the period.

Fleet Profile^(a)

Aircraft type	Number at 31st December 2024			Total	Average age	Orders ^{(c)(i)(j)}			Total	Expiry of leases without asset transfer ^(b)					
	Leased ^(b)					'25	'26	'27 and beyond		'25	'26	'27	'28	'29	'30 and beyond
	Owned	With asset transfer	Without asset transfer												
The Company (Passenger aircraft):															
A321/A320-200neo	5	6	5	16	2.1	3 ^(k)	11 ^(d)	14						5	
A330-300	39		4	43	16.3				2	1		1			
A330-900							30	30							
A350-900	20	8	2	30	6.7							2			
A350-1000	11	7		18	5.1										
777-300	17			17	23.2										
777-300ER	24		12	36	12.2				1	4	1			6	
777-9							21 ^(k)	21							
The Company (Freighter):															
A350F							6	6							
747-400ERF	6			6	16.0										
747-8F	11	3		14	11.9										
Total of the Company	133	24	23	180	11.8	-	3	68	71	3	5	1	3	-	11
HK Express:															
A320-200	3 ^(e)		3	6	16.8							2	1		
A320-200neo			10	10	5.8	2	6 ^{(d)(f)}	8				2	2	6	
A321-200	2 ^(e)		11	13	9.4					1	2			8	
A321-200neo	5 ^(e)	7 ^(e)		12	0.7	4	3 ^(k)	7 ^{(d)(f)}	14						
Total	10	7	24	41	7.1	4	5	13	22	1	2	-	4	3	14
Air Hong Kong^{(g)(h)}:															
A300-600F			3	3	19.1					3					
A330-243F			2	2	13.0					2					
A330-300P2F			10	10	13.2					3		4	3		
Total	-	-	15	15	14.1	-	-	-	-	3	5	-	4	3	-
Grand total	143	31	62	236	11.1	4	8	81	93	7	12	1	11	6	25

- (a) The table does not reflect aircraft movements after 31st December 2024.
- (b) Leases without asset transfer components are accounted for in a similar manner to leases with asset transfer components under accounting standards. The majority of leases without asset transfer components in the above table are within the scope of HKFRS 16.
- (c) The Group believes that based on its available unrestricted liquidity as at 31st December 2024, as well as its ready access to both loan and debt capital markets, it will have sufficient financing capacity to fund this material investment in the fleet.
- (d) Final number subject to reallocation between the Company and HK Express.
- (e) The aircraft are sub-leased to HK Express.
- (f) Final split between Airbus A320-200neo and A321-200neo subject to adjustment in accordance with future operational requirements.
- (g) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.
- (h) The Group plans to replace its entire fleet of Airbus A300-600F freighters with second-hand A330F freighters. The remaining three A300-600F freighters are expected to be returned in 2025.
- (i) The Group took delivery of 12 aircraft in 2024.
- (j) The Group also has the right to acquire 82 additional aircraft.
- (k) According to the latest expectation as at end of February 2025.

Chair's Statement

I am pleased to report that the Cathay Group achieved a number of milestones in 2024, as we focused our efforts on completing our two-year rebuilding journey while also investing for the future.

Throughout 2024, we continued to rebuild connectivity at our home hub, culminating in the Cathay Group reaching 100% of our pre-pandemic flights from January 2025. We fully repaid the Hong Kong SAR Government's investment in Cathay by buying back the remaining preference shares, in addition to paying preference share dividends and buying back the warrants that had been issued to the Government. I would like to thank the Government, its two Board observers, and all of our shareholders for the critical support they have provided Cathay.

In 2024 we also announced more than HK\$100 billion in new investments to coincide with the commencement of the Three-Runway System at Hong Kong International Airport. This major new investment programme reflects our absolute commitment to the Hong Kong international aviation hub, as we seek to increase air travel and cargo capacity and elevate customer experience. It includes more than 100 new-generation aircraft that we started taking delivery of during the year, along with new world-leading cabin interiors, flagship lounges, and digital innovations.

Our focus is now firmly on the future as we continue to do our part to elevate Hong Kong's status as a world-leading international aviation hub connecting Hong Kong, the Chinese Mainland and the world.

Financial Results

The Cathay Group, including airlines, subsidiaries and associates, reported an attributable profit of HK\$9,888 million in 2024 (2023: HK\$9,789 million). The earnings per ordinary share in 2024 were HK149.2 cents (2023: HK140.8 cents).

2024 marked our second consecutive year of solid financial performance. The second half of the year has historically been the stronger of the two halves for the Group and this was the case in 2024 as it was in 2023. Our solid second-half financial result was driven by elevated cargo demand, higher passenger volumes, lower fuel prices and higher cost efficiencies compared with the previous year. This was partly offset by a continued normalisation of passenger yields as the supply of flights increased to meet demand in the overall market as expected.

Our airlines and subsidiaries reported an attributable profit of HK\$8,849 million for the full year of 2024 (2023: HK\$9,225 million). The results from associates, the majority of which are recognised three months in arrears, were a full-year profit of HK\$288 million (2023: loss of HK\$1,562 million).

The attributable profit for 2024 included a non-recurring non-cash gain of HK\$578 million as a result of a dilution of our interest in Air China following the completion of its H-shares offering in February 2024 and completion of its A-shares offering in December 2024, as well as a dilution of our interest in Air China Cargo following its listing on the Shenzhen Stock Exchange in December 2024.

In July, we bought back the remaining 50% – HK\$9,750 million – of the preference shares held by the Hong Kong SAR Government. We also paid the remaining preference share dividends up to 31st July 2024, bringing the total amount of preference share dividends paid to the Government over its holding period to HK\$2,440 million. Then, in September, we completed the buyback of all of the warrants we had issued to the Government in 2020 as part of our recapitalisation for a total consideration of HK\$1,532 million.

Our full-year result has allowed us to announce a second interim dividend payment to ordinary shareholders of HK\$0.49 per ordinary share. This will be paid on 8th May 2025 to ordinary shareholders registered at the close of business on the record date, 3rd April 2025. Ordinary shares of the Company will be traded ex-dividend as from 1st April 2025. Together with the first interim dividend that had already been paid, a total of HK\$0.69 per share or HK\$4,443 million will have been paid in ordinary share dividends in respect of 2024.

In addition, in early January 2025 we repurchased approximately 68%, or HK\$4,558 million of the HK\$6,722 million 2.75% guaranteed convertible bonds due 2026, which were issued in February 2021. The outstanding principal amount of the bonds is HK\$2,164 million. The buyback reflects our confidence in our long-term business prospects.

As at 31st December 2024, our available unrestricted liquidity balance amounted to HK\$19,073 million.

Looking Ahead

With the launch of the Three-Runway System in Hong Kong, Cathay is now firmly focused on the future as we seek to maximise the many exciting opportunities that our newly expanded home hub offers.

Together, Cathay Pacific and HK Express will continue to add more flights and destinations for our customers. The two airlines will operate passenger services to more than 100 destinations around the world within 2025, a meaningful milestone for the Cathay Group. For cargo, we remain confident in the strength of our business bolstered by the opportunities provided by the Three-Runway System, and we are cautiously monitoring the potential impact on air cargo in light of the current geopolitical situation.

Over the coming years, we will continue to see enhancements as part of our HK\$100 billion investment. The state-of-the-art and fuel-efficient aircraft we are adding will expand and modernise our fleet, helping us to achieve our goal of net-zero carbon emissions by 2050. Decarbonising aviation is an important but challenging mission, and one that will require collaboration across the supply chain.

Appreciation

Finally, I would like to extend my sincere appreciation to our customers for their enduring support of Cathay, which has been and remains invaluable as we strive to become one of the world's greatest service brands.

I would also like to sincerely thank our global teams at Cathay for their outstanding efforts over the past year and their determination to always exceed our customers' expectations.

Patrick Healy

Chair

Hong Kong, 12th March 2025

Chief Executive Officer's Review and Outlook

As Hong Kong's home airline, Cathay is on a mission to move our people, customers and stakeholders forward in life by becoming one of the world's greatest service brands. With the completion of our two-year rebuilding journey, the commissioning of the Three-Runway System at Hong Kong International Airport, and the commitment of significant investments into the future, Cathay is in an exciting new era underpinned by our determination to be a positive force for Hong Kong, the Chinese Mainland and the world.

Closing the chapter on our rebuilding journey

In 2024, we maintained our focus on rebuilding connectivity at the Hong Kong international aviation hub to cater for the ongoing robust travel demand, culminating in the Cathay Group reaching 100% of our pre-pandemic flights from January 2025. During 2024, Cathay Pacific and HK Express together launched passenger services to 15 destinations. As the supply of flights increased to meet demand in the overall market, ticket prices for both airlines continued to normalise as expected.

I am very pleased to share that the significant progress we made over the past year has been recognised with Cathay Pacific ranked among the world's top five airlines by Skytrax and Airline Ratings, and our Economy class being named the world's best. Meanwhile, HK Express has been ranked among the world's top five low-cost airlines by Airline Ratings, and named the world's fastest-growing airline by OAG.

Our cargo performance was strong, thanks in part to the additional belly space provided by our increased passenger flights, which enabled us to carry more cargo. Recently, Cathay Cargo has once again been named Cargo Operator of the Year by Air Transport World, the second time in three years. This achievement reflects the unwavering dedication of our team and our crucial role in maintaining Hong Kong's status as a leading global air cargo hub.

To support our rebuild, we have set a new record with around 7,000 new employees recruited and trained in 2024. Our overall Cathay Group headcount has now reached more than 30,000 people. Recognising our people for work well done has always been an important part of our culture at Cathay, and we are pleased to provide them with a total of more than ten weeks of eligible pay in the form of discretionary bonus and profit-share scheme.

Investing for long-term growth

Central to our future growth is our commitment to invest more than HK\$100 billion coinciding with the Three-Runway System's commencement. We have started adding more than 100 new and fuel-efficient aircraft to our fleet. In 2024, we took delivery of 12 new Airbus A321neos that have joined the fleets of Cathay Pacific and HK Express. In August, we announced our latest aircraft purchase for 30 Airbus A330-900 aircraft with the right to acquire an additional 30 in future. These new regional widebody aircraft are expected to be delivered from 2028 and will join the fleet of Cathay Pacific principally serving destinations in Asia.

Apart from new aircraft, 2024 also saw the much anticipated launch of our all-new Aria Suite Business class, together with a new Premium Economy and refreshed Economy cabin onboard our Boeing 777-300ER aircraft in October. We look forward to progressively rolling out more of these award-winning cabin products across our fleet in 2025, having recently deployed them on our Hong Kong-London route to very positive customer feedback.

Performance of our four main business lines

Cathay Pacific's passenger revenue increased by 11.9% to HK\$62,595 million compared with 2023. Available seat kilometres (ASKs) increased by 30.6%, while traffic, measured in revenue passenger kilometres (RPKs) increased by 26.8%. Cathay Pacific carried a total of 22.8 million passengers in 2024, an average of 62,500 per day, which was 26.9% more than in 2023. Load factor was 83.2% compared with 85.7% in 2023, and yield decreased by 11.8% to HK67.3 cents.

Cathay Cargo's revenue in 2024 increased by 8.3% to HK\$24,000 million. Available freight tonne kilometres (AFTKs) increased by 8.6%, owing to our increased passenger flight schedule providing more belly space for cargo. Traffic, measured in revenue freight tonne kilometres (RFTKs), increased by 5.0%. Total tonnage increased by 10.9% to 1.5 million tonnes. Load factor was 59.9% compared with 62.0% in 2023, and yield increased by 2.9% to HK\$2.82.

Our lifestyle business continued to develop in 2024 as we grew our membership base, expanded our payment and mileage partnerships, broadened our footprint in the Chinese Mainland, and enhanced our Cathay Holidays and Cathay Shop offerings. Last year was also the 25th anniversary of Asia Miles and we were pleased to celebrate it with a range of exclusive promotions for our members.

Overall costs for the Cathay Group before subsidiaries and associates increased compared with 2023 due to the increase in capacity, although fuel prices were lower. Non-fuel costs for 2024 increased by 12.1% to HK\$58,707 million compared with 2023. Fuel costs (before the effect of fuel hedging) increased by HK\$2,262 million (or 9.6%) compared with 2023. Cost per available tonne kilometre (ATK) with fuel and without fuel improved year on year by 4.2% and 4.5% respectively, demonstrating more efficient generation of capacity.

Our wholly owned low-cost carrier HK Express's passenger revenue increased by 9.3% to HK\$5,994 million compared with 2023. Available seat kilometres (ASKs) increased by 45.9%, while traffic, measured in revenue passenger kilometres (RPKs) increased by 41.5%. HK Express carried a total of 6.1 million passengers in 2024, an average of 16,700 per day, which was 47.1% more than in 2023. Load factor was 83.4% compared with 86.0% in 2023, and yield decreased by 22.8% to HK\$52.2 cents.

HK Express reported a loss of HK\$400 million for 2024 (2023: profit of HK\$433 million). Short-term operational issues affected its earnings, with on average five of its Airbus A320neo aircraft grounded throughout the year due to industry-wide Pratt & Whitney engine issues, impacting aircraft utilisation and operational efficiency. This was further exacerbated by increased pressure on yields caused by the rapid normalisation of airfares in regional markets amid increased capacity within the region.

Performance of other subsidiaries and associates

Air Hong Kong reported a profit of HK\$807 million for 2024 (2023: profit of HK\$778 million). Its results have been consistently solid.

Results from our airline services subsidiaries improved in 2024 compared with 2023, reflecting the Cathay Group's increased flying.

Results from associates, recognised three months in arrears, improved compared with 2023. Financial results for Air China improved due to the recovery of the civil aviation market, increased fleet efficiency, and stricter cost management.

Outlook

The Three-Runway System at Hong Kong International Airport is now in operation, and this paves the way for an exciting new era for the Hong Kong international aviation hub and for the Cathay Group.

We have already announced 11 destinations that are joining the Cathay Group's network in 2025, with more still to come. Cathay Pacific will be launching flights to Hyderabad, Dallas, Urumqi, Rome, Munich and Brussels this year, while HK Express launched services to Sendai in January and will be launching flights to Nha Trang, Komatsu, Ishigaki and Miyako (Shimajiri) this year. Together, Cathay Pacific and HK Express will operate flights to more than 100 destinations around the world within 2025.

Customer experience enhancements will also continue in the air and on the ground. In 2026, we will be unveiling new cabins on our existing Airbus A330 regional widebody aircraft, including a new flatbed Business class seat. This will be followed by a world-leading First class experience onboard our Boeing 777-9s when the first new aircraft is delivered.

On the ground, we will be launching new flagship lounges in Hong Kong, Beijing and New York over the coming year. We will be reopening our Hong Kong lounge, The Bridge, this year to meet growing demand and to ensure we maintain a premium lounge experience for our eligible customers during the renovation of The Wing.

For Cathay Cargo, given the global geopolitical situation, we are cautiously monitoring any short-term impacts on air cargo demand. Nevertheless, we remain confident in the competitiveness of our air cargo business, bolstered by the opportunities presented by the Three-Runway System and the strength and flexibility of our business model.

We are committed to our dual-brand strategy that ensures we are able to serve customers with different needs, with Cathay Pacific as our premium full-service airline and HK Express as our low-cost airline. We have confidence in the low-cost carrier business model of HK Express in the long term with its commitment to offering low fares and more destination choices for our customers.

As a Group, we are continuing to expand our global team, with plans to further increase the number of employees by up to 4,000 to a total of around 34,000 people by the end of this year, providing a strong platform from which to continue growing our business.

Of course, 2025 and beyond will not be without headwinds. Trade conflicts as they develop could pose challenges to Cathay Cargo. Supply chain challenges continue to affect the entire aviation industry impacting many airlines, including the Cathay Group. Regardless, we will not compromise on the safety and quality of our operations.

Gratitude

Cathay's achievements throughout the past year would not have been possible without our customers' fantastic support. In particular, the industry recognitions we have received are a vote of confidence from our customers that motivate us to continue to go above and beyond for them. I hope they enjoy the many ways we will be elevating their experience over the coming years, whether on the ground or in the air.

To our people at Cathay, I would like to say a heartfelt thank you for their passion and dedication every step of the way. As we enter this new era of the Three-Runway System, I have full confidence that we will move Cathay to new heights together. The future is exciting and I look forward to embarking on this journey with all our people around the world.

Ronald Lam

Chief Executive Officer

Hong Kong, 12th March 2025

Review of Operations

Capacity, Load Factor and Yield Change – Cathay Pacific and Cathay Cargo

	Capacity			Load factor (%)			Yield
	ASK/AFTK (million)*			2024	2023	Change	Change
	2024	2023	Change				
Cathay Pacific passenger services							
Americas	31,020	21,535	+44.0%	88.3	91.9	-3.6%pt	-13.3%
North Asia	22,196	17,175	+29.2%	76.4	78.4	-2.0%pt	-14.5%
Europe	20,565	19,508	+5.4%	89.0	90.3	-1.3%pt	-5.1%
Southwest Pacific	15,588	11,199	+39.2%	81.4	83.6	-2.2%pt	-13.2%
Southeast Asia	14,939	11,416	+30.9%	78.1	80.6	-2.5%pt	-15.2%
South Asia, the Middle East and Africa	7,481	4,774	+56.7%	80.4	81.8	-1.4%pt	-8.9%
Overall	111,789	85,607	+30.6%	83.2	85.7	-2.5%pt	-11.8%
Cathay Cargo	14,193	13,069	+8.6%	59.9	62.0	-2.1%pt	+2.9%

* Capacity is measured in available seat kilometres (“ASK”) for passenger services and available freight tonne kilometres (“AFTK”) for cargo services.

Cathay Pacific

Home market - Hong Kong and the Greater Bay Area (GBA)

- We saw a surge in demand for leisure travel from Hong Kong and the rest of the Greater Bay Area over the 2024 Lunar New Year holiday period, in particular on short-haul routes. Traffic between the Chinese Mainland and Hong Kong was also good over the holidays.
- Demand in the premium cabins was strong during March and April, and again in October 2024, driven by business travel to various exhibitions and trade shows that took place in Hong Kong and elsewhere in the Greater Bay Area.
- The summer travel peak was strong with significant demand for travel from Hong Kong and other cities in the Greater Bay Area in August, with short-haul destinations being particularly popular.
- In December 2024, we saw strong VFR (visiting friends and relatives) and student traffic. During the Christmas travel peak, there was strong leisure travel demand from Hong Kong to a number of our short-haul destinations.

Americas

- In March 2024, we resumed First class service on our flights between Hong Kong and New York.
- In September 2024, we announced that we will be launching direct passenger flights between Hong Kong and Dallas for the very first time from April 2025. Dallas Fort-Worth is one of the world’s busiest airports, and this new service will enable customers to connect to and from domestic destinations in the United States as well as destinations in Central and South America.
- As at 31st December 2024, Cathay Pacific’s scheduled passenger services covered seven destinations in the Americas.

North Asia

- In August 2024, we resumed our flights between Hong Kong and Ningbo. These services were well received by our customers in Hong Kong, the Chinese Mainland and India.
- We saw significant leisure travel demand from the Chinese Mainland during the National Day “Golden Week” holidays in early October 2024.
- As at 31st December 2024, Cathay Pacific’s scheduled passenger services covered 26 destinations in North Asia.

Europe

- In June 2024, we resumed our popular seasonal summer service between Hong Kong and Barcelona. This service received a positive response from customers.
- In July 2024, we saw strong demand for flights to Paris due to the Olympic Games, and we were delighted to carry a significant number of athletes and spectators to attend this momentous sporting occasion.

- In December 2024, we announced that Cathay Pacific will launch direct passenger flights to Munich for the very first time from June 2025, and will return to Brussels from August 2025, providing customers with a direct connection between Hong Kong and two of Europe's important centres.
- As at 31st December 2024, Cathay Pacific's scheduled passenger services covered 10 destinations in Europe.

Southwest Pacific

- Flights on our Hong Kong-Auckland route increased to daily in November, nearly doubling our existing flight numbers on the route.
- Our seasonal Christchurch service returned for a second year in December with a significant boost in capacity and longer timeframe.
- In December 2024, we resumed our seasonal service between Hong Kong and Cairns in Australia, operating through the peak holiday period until the end of March 2025.
- As at 31st December 2024, Cathay Pacific's scheduled passenger services covered seven destinations in Southwest Pacific.

Southeast Asia

- We increased frequencies on our Hong Kong-Phnom Penh service to daily in October 2024, reflecting our commitment to strengthening our network in Southeast Asia. Overall, Southeast Asia saw a substantial increase in capacity in 2024 compared with 2023. This included increasing frequencies on our Hong Kong-Phnom Penh service to daily in October 2024, reflecting our commitment to strengthening our network in the region.
- As at 31st December 2024, Cathay Pacific's scheduled passenger services covered 13 destinations in Southeast Asia.

South Asia, the Middle East and Africa

- Our Chennai and Colombo services resumed in February 2024, adding two more ports in South Asia to our network. These services were well received by our customers.
- In October 2024, we launched non-stop flights between Hong Kong and Riyadh, the capital and financial centre of Saudi Arabia, further expanding our network in the important Middle East region.
- In November 2024, we announced the resumption of our flights between Hong Kong and Hyderabad from March 2025.
- As at 31st December 2024, Cathay Pacific's scheduled passenger services covered 10 destinations in South Asia, the Middle East and Africa.

Cathay Cargo

Home market – Hong Kong and the Greater Bay Area (GBA)

- In 2024, demand remained strong, buoyed by significant support from e-commerce and traditional commodities, particularly electronics. The overall growth in tonnage in Hong Kong and the wider Greater Bay Area surpassed our capacity growth compared to last year.
- We observed impressive tonnage growth from Hong Kong to Europe, the Southwest Pacific, Northeast Asia, and Southeast Asia, benefiting from belly capacity provided by the Cathay Group's increased passenger flights.
- The cargo volume handled at the Hong Kong International Airport (HKIA) Logistics Park in Dongguan experienced substantial growth, especially in exports, while import volumes began at a lower level and gradually increased.

Americas

- We saw strong growth in the amount of mail carried, particularly from the United States and Canada with key destinations being South Korea and Japan.
- Our Cathay Secure solution saw notable growth in volumes, in particular valuable cargo from New York to Hong Kong.
- We ramped up freighter frequency on our transpacific routes from late August to cater for the growing demand during the air cargo peak season.
- As at 31st December 2024, we were operating freighters serving 12 destinations in the Americas.

Europe

- Overall demand from Europe surged as we saw increased tonnage to the Chinese Mainland, Northeast Asia, Southeast Asia, Southwest Pacific, South Asia, Africa and the Middle East.
- General cargo has been the backbone in driving the tonnage growth from the region in 2024.
- Perishables and pharmaceutical products continued to drive growth in our special cargo tonnage, with perishables mainly from the United Kingdom and France, and pharmaceutical products mainly from Belgium to Hong Kong, the Chinese Mainland and Northeast Asia.
- As at 31st December 2024, we were operating freighters serving five destinations in Europe.

North Asia

- Overall tonnage from North Asia grew year on year partly driven by busy trade flows within the region. We saw improvement in cargo traffic from North Asia to North America where high-tech and auto-parts were among the key commodities.
- Machinery movements within Japan, Korea and the Taiwan region were busy and drove the growth of our Cathay Expert solution from North Asia.
- E-commerce from the Chinese Mainland to long-haul destinations such as the Americas and Europe remained strong, supplemented with e-commerce trade between South Korea and the Taiwan region leveraging belly capacity on the Cathay Group's increased passenger flights.
- As at 31st December 2024, we were operating freighters serving nine destinations in North Asia.

Southeast Asia

- We resumed one freighter flight per week to Ho Chi Minh City from the Summer 2024 season.
- From October 2024, we added an additional weekly freighter flight to/from Hanoi.
- Exports from Southeast Asia were solid, both on regional and long-haul routes.
- General cargo remained the dominant commodity from Southeast Asia, with high-tech electronics the most common. In terms of special cargo, perishables and live seafood to Hong Kong, as well as machinery movements from Malaysia to the Chinese Mainland and the Taiwan region, and from Singapore to Hong Kong also contributed to tonnage growth for Southeast Asia.
- As at 31st December 2024, we were operating freighters serving six destinations in Southeast Asia.

Southwest Pacific

- Perishables continued to be the key export contributor from the Southwest Pacific with an array of fresh produce such as peaches, kiwifruits, raspberries, mangoes, as well as chilled meats and salmon. Hong Kong continued to be the key destination, followed by the Chinese Mainland, Dubai and other places in Asia. Exports of lobsters from Perth to Hong Kong also remained robust.
- As at 31st December 2024, we were operating freighters serving three destinations in the Southwest Pacific region.

South Asia, the Middle East and Africa

- Overall cargo demand from South Asia, the Middle East and Africa improved on all routes, with the Chinese Mainland, Hong Kong and Japan the main destinations.
- General cargo from the region remained solid with garments and electronics the main cargo carried. Growth in special cargo from the region was driven by shipments of dangerous goods from India to Japan, South Korea and the Chinese Mainland. There was also a notable improvement in perishables and pharmaceutical product shipments from the region.
- At 31st December 2024, we were operating freighters serving six destinations in South Asia, the Middle East and Africa.

Financial Review

Revenue

	Cathay Group			The Company		
	2024	2023	Change	2024	2023	Change
	HK\$M	HK\$M		HK\$M	HK\$M	
Passenger services	68,589	61,437	+11.6%	62,595	55,951	+11.9%
Cargo services	27,417	25,606	+7.1%	24,000	22,162	+8.3%
Other services and recoveries	8,365	7,442	+12.4%	8,142	7,227	+12.7%
Total revenue	104,371	94,485	+10.5%	94,737	85,340	+11.0%

Operating Expenses

	Cathay Group			The Company		
	2024	2023	Change	2024	2023	Change
	HK\$M	HK\$M		HK\$M	HK\$M	
Staff	16,840	14,785	+13.9%	13,406	11,839	+13.2%
Inflight service and passenger expenses	4,175	3,026	+38.0%	4,122	2,986	+38.0%
Landing, parking and route expenses	14,023	11,190	+25.3%	12,688	10,110	+25.5%
Fuel, including hedging gains	28,260	24,989	+13.1%	25,816	22,932	+12.6%
Aircraft maintenance	8,498	7,357	+15.5%	7,367	6,270	+17.5%
Aircraft depreciation and rentals	9,801	9,860	-0.6%	9,229	9,152	+0.8%
Other depreciation, amortisation and rentals	2,709	2,578	+5.1%	1,912	1,854	+3.1%
Others	6,888	7,701	-10.6%	8,031	8,609	-6.7%
Operating expenses	91,194	81,486	+11.9%	82,571	73,752	+12.0%
Net finance charges	3,056	2,733	+11.8%	1,952	1,546	+26.3%
Total operating expenses	94,250	84,219	+11.9%	84,523	75,298	+12.3%

- The Group's and the Company's total operating expenses increased by 11.9% and 12.3% respectively.
- The Company's ATK increased 17.0% from 21,225 million to 24,836 million.
- The cost per ATK (with fuel) of the Company decreased from HK\$3.55 to HK\$3.40, a decrease of 4.2%.
- The cost per ATK (without fuel) of the Company decreased from HK\$2.47 to HK\$2.36, a decrease of 4.5%.

Operating Results Analysis

	1st half 2024 HK\$M	2nd half 2024 HK\$M	Full year 2024 HK\$M	1st half 2023 HK\$M	2nd half 2023 HK\$M	Full year 2023 HK\$M
The Company's profit before non-recurring items and taxation	4,391	5,823	10,214	4,890	5,152	10,042
Taxation	(519)	(647)	(1,166)	(310)	(517)	(827)
The Company's profit after taxation and before non-recurring items	3,872	5,176	9,048	4,580	4,635	9,215
Subsidiaries' results	(26)	(173)	(199)	183	(173)	10
The Company and subsidiaries' profit after taxation and before non-recurring items	3,846	5,003	8,849	4,763	4,462	9,225
Share of profits/(losses) of associates	(342)	630	288	(2,632)	1,070	(1,562)
Underlying profit attributable to the shareholders of the Group (note a)	3,504	5,633	9,137	2,131	5,532	7,663
Gains on deemed partial disposals of associates (note b)	90	488	578	1,929	-	1,929
Net reversal of impairment and other gains or charges (note c)	19	154	173	208	(11)	197
Profit attributable to the shareholders of the Group	3,613	6,275	9,888	4,268	5,521	9,789

Notes:

- The underlying profit attributable to the shareholders of the Cathay Group was calculated excluding non-recurring items.
- Please refer note 4 below.
- HK\$106 million gains on convertible bonds repurchase, HK\$48 million fair value gains on equity investments measured at fair value through profit or loss, HK\$46 million impairment reversal for a previously impaired aircraft returning to service in the first half of 2024; offset by HK\$27 million impairment of the investments in two associates.

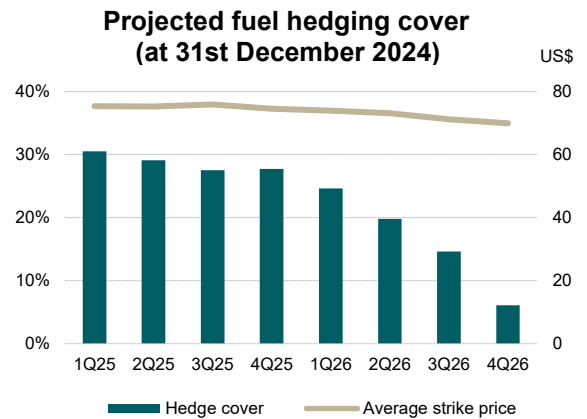
The movement in the Company's profit before non-recurring items can be analysed as follows:

	HK\$M	
The Company's profit in 2023 before non-recurring items and taxation	10,042	
Increase of revenue:		
- Passenger and cargo revenue	8,482	- Passenger revenue increased as a result of increase in capacity and traffic, partially offset by a 11.8% reduction in yield. - Cargo revenue increased due to a 5.0% increase in RFTK and a 2.9% increase in yield.
- Other services and recoveries	915	- Increased due to higher passenger volumes and more mileage sales.
(Increase)/decrease of costs:		
- Staff	(1,567)	- Increased due to higher capacity operated and larger headcount.
- Inflight service and passenger expenses	(1,136)	- Increased on higher passenger volumes.
- Landing, parking and route expenses	(2,578)	- Increased on operating additional capacity.
- Fuel, including hedging gains	(2,884)	- Increased fuel costs were mainly due to higher fuel consumption as capacity increased.
- Aircraft maintenance	(1,097)	- Higher due to increased aircraft flying hours.
- Owning the assets (includes aircraft and other depreciation, rentals and net finance charges)	(541)	- Due to investment, increased flying hours and interest rate changes.
- Other items (including commissions)	578	- Due to favourable foreign currency movements.
The Company's profit in 2024 before non-recurring items and taxation	10,214	

Fuel Expenditure and Hedging

A breakdown of the Group's fuel cost is shown below:

	2024	2023
	HK\$M	HK\$M
Gross fuel cost	28,295	25,683
Fuel hedging gains	(35)	(694)
Net fuel cost	28,260	24,989



- Fuel consumption in 2024 was 35.1 million barrels (2023: 28.8 million barrels), an increase of 21.9% due to additional flight capacity.
- The Group's policy is to reduce exposure to fuel price risk by hedging a percentage of its expected fuel consumption. The Group uses fuel derivatives which are economically equivalent to forward contracts to achieve its desired hedging position. The chart indicates the estimated percentage of projected consumption by quarter in 2025 and 2026 covered by hedging transactions at various Brent strike prices, as well as the average strike price for each period.
- The Group does not speculate on oil prices but uses hedging to manage short to medium term volatility in oil prices and therefore its fuel costs. Hedging is not risk free.

Assets

- Total assets at 31st December 2024 were HK\$171,244 million.
- During the year, additions to property, plant and equipment and intangible assets were HK\$9,917 million and HK\$492 million respectively. Property, plant and equipment additions were comprised HK\$9,227 million in respect of aircraft and related equipment, HK\$390 million in respect of land and buildings and HK\$300 million in respect of other equipment.

Borrowings and Capital

- Borrowings (being loans and other borrowings, and lease liabilities) increased by 0.3% to HK\$68,475 million. Excluding leases without asset transfer components, borrowings increased by 1.2% to HK\$57,631 million, which are fully repayable by 2035, with 34% at fixed rates of interest after taking into account derivative transactions. Borrowings are predominately denominated in United States dollars and Hong Kong dollars and the maturity profile of these borrowings has not changed materially from the information set out in the 2023 Annual Report.
- Available unrestricted liquidity at 31st December 2024 totalled HK\$19,073 million, comprising liquid funds of HK\$10,534 million and committed undrawn facilities of HK\$8,542 million, less pledged funds of HK\$3 million. Liquid funds are predominately denominated in United States dollars and Hong Kong dollars.
- Net borrowings (after deducting liquid funds) increased by 9.8% to HK\$57,941 million. Excluding lease liabilities without asset transfer components, net borrowings increased by 13.6% to HK\$47,097 million.
- Funds attributable to the shareholders of the Cathay Group decreased by 12.5% to HK\$52,500 million. This was due to the preference shares redeemed of HK\$9,750 million, decrease in other comprehensive income of HK\$459 million, convertible bond repurchase of HK\$1,152 million, warrant repurchase of HK\$1,538 million and dividends distributed to ordinary shareholders of HK\$4,056 million and the preference shareholder of HK\$471 million, partially offset by the Group's attributable profit of HK\$9,888 million (before non-controlling interest) and convertible bonds of HK\$12 million converted into ordinary shares.
- Excluding lease liabilities without asset transfer components, the net debt/equity ratio increased from 0.69 times to 0.90 times (against borrowing covenants of 2.0). Taking into account the effect of adopting HKFRS 16 on net borrowings, the net debt/equity ratio was 1.10 at 31st December 2024 (31st December 2023: 0.88 times).

Review of subsidiaries and associates

- Hong Kong Express Airways Limited recorded an after-tax loss of HK\$400 million in 2024, compared with a HK\$433 million profit in 2023. Flight capacity amounted to 13.8 million available seat kilometres. The average flown load factor was 83.4%, a decrease of 2.6 percentage points compared with 2023.
- AHK Air Hong Kong Limited recorded a profit of HK\$807 million in 2024 (2023: HK\$778 million). In 2024, flight capacity (in terms of available freight tonne kilometres) increased by 1.6% to 894 million.
- Cathay Pacific Catering Services (H.K.) Limited (“Cathay Dining”) produced 23.6 million airline meals and handled 57,834 flights in 2024, an increase of 21% and 33%, respectively, from 2023. The financial results of Cathay Dining as well as flight kitchens outside Hong Kong in 2024 improved compared with 2023.
- Cathay Pacific Services Limited (“CCT”) provided cargo-handling services for the Cathay Group and 13 other scheduled airlines in 2024. It handled 1.6 million tonnes of cargo in 2024, an 11% increase from 2023. The financial results of CCT in 2024 improved compared with 2023.
- The financial results of Hong Kong Airport Services Limited in 2024 improved compared with 2023.
- The financial results of Vogue Laundry Services Limited in 2024 improved compared with 2023.
- Air China Limited (“Air China”), in which the Group had a 15.09% interest at 31st December 2024, is the national flag carrier and leading provider of passenger, cargo and other airline-related services in the Chinese Mainland. The Group’s share of Air China’s results is based on its financial statements drawn up three months in arrears. Consequently our 2024 annual results include Air China’s results for the 12 months ended 30th September 2024. For the 12 months ended 30th September 2024, Air China’s financial results improved compared to those for the 12 months ended 30th September 2023. On 7th February 2024, the Group’s interest in Air China was diluted from 16.26% to 15.87% as a result of Air China issuing 393 million new H shares to a specific investor with proceeds of the issuance totalling HK\$2 billion. On 10th December 2024, the Group’s interest in Air China was further diluted to 15.09% as a result of Air China issuing 855 million new A shares to another investor with proceeds of the issuance totalling RMB6 billion. While we did not sell any shares, these were accounted for as deemed partial disposals of our interest in Air China and gains of HK\$551 million were recorded.
- Air China Cargo Co., Ltd. (“Air China Cargo”), in which the Group owns directly and indirectly equity interest totalling 21.36%, is the leading provider of air cargo services in the Chinese Mainland. The Group’s share of Air China Cargo’s results is based on its financial statements drawn up three months in arrears. Consequently our 2024 annual results include Air China Cargo’s results for the 12 months ended 30th September 2024. On 30th December 2024, the Group’s interest in Air China Cargo was diluted from 24.00% to 21.36% as a result of Air China Cargo issuing 1,321 million new A shares and being listed on the Shenzhen Stock Exchange with proceeds of the issuance totalling HK\$3 billion. While we did not sell any shares, this was accounted for as a deemed partial disposal of our interest in Air China Cargo and a gain of HK\$27 million was recorded.

Sustainability

- Cathay launched a landmark tripartite partnership where around 3,400 metric tonnes of SAF will be used in the Company's flights departing from Hong Kong International Airport. This tri-party collaboration demonstrates the potential of fostering a local SAF ecosystem.
- Cathay achieved substantial growth in our Corporate SAF Programme which is emerging as one of the largest initiatives of its kind globally. Total annual SAF consumption by programme partners reached about 6,270 tonnes, growing more than 9 times when compared to 2023.
- Our flagship I Can Fly programme entered the 20th anniversary. In the six-month period, our pilots and employee volunteers led around 300 participants through a series of aviation and social service activities, including visits to Cathay's aviation facilities and departments, as well as those of the wider airport community.
- We arranged an exchange tour in the wider Greater Bay Area (GBA) for the first time as part of the I Can Fly programme, with an aim to provide participants with deeper understanding of the aviation industry from diverse perspectives.
- Cathay has been selected as a constituent of the FTSE4GOOD Index Series for the 14th consecutive year. In 2024, we were recognised among the top 8% of companies in the airline subsector. This inclusion serves to benchmark our strong sustainability performance relative to other companies around the world.
- Cathay received the Hong Kong Sustainability Awards 2024 – Merit Award from the Hong Kong Management Association, recognising our efforts in the economic, social, and environmental aspects of sustainability.
- At 31st December 2024, the Group employed more than 30,100 people worldwide, with around 25,300 employed in Hong Kong.
- Cathay continued to drive talent acquisition in Hong Kong, the Chinese Mainland and beyond, targeting different job roles including cabin crew, pilots, cadet pilots, IT professionals, ground employees and customer service officers. In 2024, we recruited and trained around 7,000 new employees as a Group.
- We regularly review our human resources and remuneration policies in light of legislation, industry practices, market conditions and individual and collective performance to ensure that our employee remuneration remains competitive.

Consolidated Statement of Profit or Loss
for the year ended 31st December 2024

	Note	2024 HK\$M	2023 HK\$M
Revenue			
Passenger services		68,589	61,437
Cargo services		27,417	25,606
Other services and recoveries		8,365	7,442
Total revenue		104,371	94,485
Expenses			
Staff		(16,840)	(14,785)
Inflight service and passenger expenses		(4,175)	(3,026)
Landing, parking and route expenses		(14,023)	(11,190)
Fuel, including hedging gains		(28,260)	(24,989)
Aircraft maintenance		(8,498)	(7,357)
Aircraft depreciation and rentals		(9,801)	(9,860)
Other depreciation, amortisation and rentals		(2,709)	(2,578)
Others		(6,888)	(7,701)
Operating expenses		(91,194)	(81,486)
Operating profit before non-recurring items		13,177	12,999
Gains on deemed partial disposals of associates	4	578	1,929
Net reversal of impairment and other gains or charges		173	197
Operating profit	5	13,928	15,125
Finance charges		(3,897)	(3,961)
Finance income		841	1,228
Net finance charges	6	(3,056)	(2,733)
Share of profits/(losses) of associates		331	(1,534)
Profit before taxation		11,203	10,858
Taxation	7	(1,315)	(1,068)
Profit for the year		9,888	9,790
Profit for the year attributable to			
Ordinary shareholders of the Cathay Group		9,607	9,067
Preference shareholder of the Cathay Group	16	281	722
Non-controlling interests		-	1
Profit for the year		9,888	9,790
Underlying profit attributable to shareholders of the Cathay Group*		9,137	7,663
Earnings per ordinary share			
Basic	8	149.2¢	140.8¢
Diluted	8	133.2¢	125.8¢

* The underlying profit was calculated excluding non-recurring items, which included deemed partial disposal gains of HK\$578 million (2023:HK\$1,929 million) and a total of HK\$173 million (2023:HK\$197 million) in net reversal of impairment and other gains or charges.

**Consolidated Statement of Other Comprehensive Income
for the year ended 31st December 2024**

	<i>Note</i>	2024 HK\$M	2023 HK\$M
Profit for the year		9,888	9,790
Other comprehensive income			
Items that will or may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- gains recognised during the year		1,124	4
- gains transferred to profit or loss		(708)	(1,326)
- deferred taxation		(54)	121
Share of other comprehensive income of associates			
- recognised during the year		(220)	(252)
Exchange differences on translation of foreign operations			
- losses recognised during the year		(540)	(479)
- reclassified to profit or loss upon deemed partial disposal		54	(76)
Items that will or may not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit plans			
- defined benefit retirement schemes		(119)	161
- long service payment obligation		5	(6)
- deferred taxation		4	2
Revaluation of equity investments designated at fair value through other comprehensive income (non-recycling)			
- loss recognised during the year		(5)	(2)
Other comprehensive income for the year, net of taxation		(459)	(1,853)
Total comprehensive income for the year		9,429	7,937
Total comprehensive income attributable to			
Ordinary shareholders of the Cathay Group		9,148	7,214
Preference shareholder of the Cathay Group	16	281	722
Non-controlling interests		-	1
		9,429	7,937

Consolidated Statement of Financial Position
at 31st December 2024

	Note	2024 HK\$M	2023 HK\$M
ASSETS AND LIABILITIES			
Non-current assets and liabilities			
Property, plant and equipment	9	116,457	116,088
Intangible assets	10	14,420	14,539
Investments in associates		16,371	16,046
Other long-term receivables and investments		3,598	3,608
Deferred tax assets		1,152	1,085
		151,998	151,366
Interest-bearing liabilities	11	(56,849)	(57,771)
Other long-term payables		(3,462)	(2,810)
Other long-term contract liabilities		(197)	(252)
Deferred tax liabilities		(7,990)	(7,756)
		(68,498)	(68,589)
Net non-current assets		83,500	82,777
Current assets and liabilities			
Stock		1,386	967
Trade and other receivables	12	7,326	6,252
Liquid funds	13	10,534	15,530
		19,246	22,749
Interest-bearing liabilities	11	(11,626)	(10,523)
Trade and other payables	14	(18,477)	(17,238)
Contract liabilities		(18,365)	(15,223)
Taxation		(1,771)	(2,509)
		(50,239)	(45,493)
Net current liabilities		(30,993)	(22,744)
Total assets less current liabilities		121,005	128,622
Net assets		52,507	60,033
CAPITAL AND RESERVES			
Share capital	15	28,841	28,828
Reserves		23,659	31,198
Funds attributable to the shareholders of the Cathay Group		52,500	60,026
Non-controlling interests		7	7
Total equity		52,507	60,033

Consolidated Statement of Cash Flows
for the year ended 31st December 2024

	2024 HK\$M	2023 HK\$M
Operating activities		
Cash generated from operations	28,257	32,148
Interest received	540	737
Interest paid	(3,246)	(3,364)
Tax paid	(2,010)	(3,113)
Net cash inflow from operating activities	23,541	26,408
Investing activities		
Net decrease in liquid funds other than cash and cash equivalents	2,848	3,873
Proceeds from sales of property, plant and equipment	190	222
Net decrease/(increase) in other long-term receivables and investments	164	(57)
Payments for property, plant and equipment and intangible assets	(9,207)	(6,801)
Dividends received	93	66
(Loan to)/repayment from associates	(170)	29
Net cash outflow from investing activities	(6,082)	(2,668)
Financing activities		
New financing	13,112	4,654
Loan and principal elements of lease payments	(11,812)	(16,386)
Initial cash benefit from lease arrangements	172	273
Convertible bonds and warrants repurchase	(7,029)	-
Preference shares redemption	(9,750)	(9,750)
Dividends paid – ordinary shares	(4,056)	-
Dividends paid – preference shares	(471)	(1,969)
Net cash outflow from financing activities	(19,834)	(23,178)
Net (decrease)/increase in cash and cash equivalents	(2,375)	562
Cash and cash equivalents at 1st January	7,894	7,340
Effect of exchange differences	(75)	(8)
Cash and cash equivalents at 31st December	5,444	7,894

Notes:**1. Basis of accounting**

The annual results set out in this announcement are extracted from the Group's statutory financial statements for the year ended 31st December 2024.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") (which include all applicable Hong Kong Accounting Standards ("HKAS"), Hong Kong Financial Reporting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The financial information relating to the years ended 31st December 2024 and 2023 that is included in this document does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622) (the "Ordinance")) in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2023 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. The specified financial statements for the year ended 31st December 2024 have not been but will be delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. Auditor's reports have been prepared on the specified financial statements for the years ended 31st December 2024 and 2023. Those reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain statements under section 406(2) or 407(2) or (3) of the Ordinance.

2. Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs for the current accounting period of the Group.

- Amendments to HKFRS 16 "Leases: Lease Liability in a Sale and Leaseback"
- Amendments to HKAS 1 "Presentation of financial statements: Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 (2020)
- Amendments to HKAS 1 "Presentation of financial statements: Non-current Liabilities with Covenants"
- Amendments to HKAS 7 "Statement of cash flows" and HKFRS 7 "Financial instruments: Disclosures Supplier Finance Arrangements"

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The standard and the amendments do not have a material impact on these financial statements.

3. Segment information

(a) Segment results

	2024					
	The Company* HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
Profit or loss						
Sales to external customers	93,551	6,325	3,375	1,120	-	104,371
Inter-segment sales	1,186	-	11	3,977	-	5,174
Segment revenue	94,737	6,325	3,386	5,097	-	109,545
Segment profit/(loss), before non-recurring items	12,166	(204)	957	258	-	13,177
Gains on deemed partial disposal of associates	578	-	-	-	-	578
Net reversal of impairment and other gains or charges	173	-	-	-	-	173
Segment profit/(loss)	12,917	(204)	957	258	-	13,928
Net finance (charges)/income	(1,952)	(250)	7	(861)	-	(3,056)
	10,965	(454)	964	(603)	-	10,872
Share of profits of associates	-	-	-	-	331	331
Profit/(loss) before taxation	10,965	(454)	964	(603)	331	11,203
Taxation	(1,166)	54	(157)	(3)	(43)	(1,315)
Profit/(loss) for the year	9,799	(400)	807	(606)	288	9,888
Non-controlling interests	-	-	-	-	-	-
Profit/(loss) attributable to the shareholders of the Cathay Group	9,799	(400)	807	(606)	288	9,888
Other segment information						
Depreciation and amortisation	10,721	700	5	633	-	12,059
Purchase of property, plant and equipment and intangible assets	10,036	207	1	165	-	10,409

* These balances are sub-consolidated and included insignificant financial results of certain subsidiaries.

3. Segment information (continued)

	2023					
	The Company* HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
Profit or loss						
Sales to external customers	84,687	5,603	3,447	748		94,485
Inter-segment sales	653	-	7	3,110		3,770
Segment revenue	85,340	5,603	3,454	3,858		98,255
Segment profit/(loss), before non-recurring items	11,588	850	924	(363)	-	12,999
Gain on deemed partial disposal of an associate	1,929	-	-	-	-	1,929
Net reversal of impairment and other gains or charges	197	-	-	-	-	197
Segment profit/(loss)	13,714	850	924	(363)	-	15,125
Net finance (charges)/income	(1,546)	(360)	8	(835)	-	(2,733)
	12,168	490	932	(1,198)	-	12,392
Share of losses of associates	-	-	-	-	(1,534)	(1,534)
Profit/(loss) before taxation	12,168	490	932	(1,198)	(1,534)	10,858
Taxation	(827)	(57)	(154)	(2)	(28)	(1,068)
Profit/(loss) for the year	11,341	433	778	(1,200)	(1,562)	9,790
Non-controlling interests	-	-	-	(1)	-	(1)
Profit/(loss) attributable to the shareholders of the Cathay Group	11,341	433	778	(1,201)	(1,562)	9,789
Other segment information						
Depreciation and amortisation	10,931	745	6	642		12,324
Purchase of property, plant and equipment and intangible assets	8,893	121	-	57		9,071

*These balances are sub-consolidated and included insignificant financial results of certain subsidiaries.

- (i) The Company provides full-service international passenger and cargo air transportation. Management considers that there is no reasonable and complete basis for allocating operating results fully between passenger and cargo operations. Accordingly these operations are not disclosed as separate business segments.
- (ii) HK Express is a low cost passenger carrier offering scheduled services within Asia.
- (iii) Air Hong Kong provides express cargo air transportation offering scheduled services within Asia.
- (iv) Airline services represents our supporting airline operations including catering, cargo terminal operations, ground handling services and commercial laundry operations.
- (v) Associates represents the share of results from associates held by the Group under the equity method.

The composition of reportable segments of the Group is determined based on the nature of the business. Segment information is reported in a manner consistent with the internal financial reports provided to the Executive Directors for making strategic decisions.

Inter-segment sales are based on prices set on an arm's length basis.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 "Revenue from Contracts with Customers" to its sales contracts such that the Group does not disclose the amount of the transaction price allocated to the remaining performance obligations when the performance obligation is part of a contract that has an original expected duration of one year or less.

3. Segment information (continued)

(b) Geographical information

	2024 HK\$M	2023 HK\$M
Revenue by origin of sale:		
North Asia		
- Chinese Mainland, Hong Kong and Taiwan	61,442	57,435
- Japan and Korea	4,253	3,841
Americas	14,615	12,458
Europe	8,247	8,248
Southeast Asia	6,820	5,758
Southwest Pacific	5,419	4,310
South Asia, Middle East and Africa	3,575	2,435
	104,371	94,485

4. Gains on deemed partial disposals of associates

On 16th January 2023, the Group's interest in Air China was diluted from 18.13% to 16.26% as a result of Air China issuing 1,676 million new A shares to investors with proceeds of the issuance totalling RMB15 billion.

On 7th February 2024 and 10th December 2024, the Group's interest in Air China was further diluted to 15.87% and 15.09%, respectively, as a result of Air China issuing 393 million new H shares and 855 million new A shares to investors with proceeds of the issuance totalling HK\$2 billion and RMB6 billion.

On 30th December 2024, the Group's interest in Air China Cargo was diluted from 24.00% to 21.36% as a result of Air China Cargo offering 1,321 million new A shares to listing on Shenzhen Stock Exchange.

Notwithstanding the dilution, the Group considers it retains significant influence over Air China and Air China Cargo and has continued to account for its interests as associates.

Gains on these deemed partial disposals of HK\$578 million (2023: HK\$1,929 million) were recorded, principally reflecting the change in the Group's shares of net assets in Air China and Air China Cargo immediately before and after the share issuances.

5. Operating profit

	2024 HK\$M	2023 HK\$M
Operating profit has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment		
- right-of-use assets	3,787	4,266
- owned	7,676	7,464
Amortisation of intangible assets	596	594
(Reversal of) impairment on non-financial assets		
- property, plant and equipment	(46)	(208)
- investments in associates	27	-
Expenses relating to short-term leases and leases of low-value assets	12	9
Gains on convertible bonds repurchase	(106)	-
(Gains)/losses on disposal of property, plant and equipment, net	(42)	33
Loss on disposal of intangible assets	2	1
Cost of stock expensed	1,754	1,300
Exchange differences, net	(52)	162
Auditors' remuneration	17	16
Government grants	(266)	(563)
Dividend income from unlisted equity investments	(68)	(58)

6. Net finance charges

	2024 HK\$M	2023 HK\$M
Net interest charges comprise:		
- lease liabilities stated at amortised cost	1,456	1,497
- bank loans and overdrafts		
- wholly repayable within five years	984	928
- not wholly repayable within five years	476	611
- other borrowings		
- wholly repayable within five years	648	594
- not wholly repayable within five years	333	331
	3,897	3,961
Income from liquid funds:		
- funds with investment managers and other liquid investments at fair value through profit or loss	(327)	(565)
- bank deposits and others	(449)	(571)
	(776)	(1,136)
Fair value change:		
- gains on financial derivatives	(65)	(92)
	3,056	2,733

Finance income and charges relating to defeasance arrangements have been netted off in the above figures.

Included in fair value change in respect of financial derivatives was net losses from derivatives that are classified as fair value through profit or loss of HK\$nil (2023: HK\$17 million).

7. Taxation

	2024 HK\$M	2023 HK\$M
Current tax expenses		
- Hong Kong profits tax	149	142
- overseas tax	140	133
- over provisions for prior years	(81)	(166)
Deferred tax		
- origination and reversal of temporary differences	1,107	959
	1,315	1,068

Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated at rates of tax applicable in countries in which the Group is assessable for tax. Tax provisions are reviewed regularly to take into account changes in legislation, practice, and the status of negotiations with tax authorities.

7. Taxation (continued)

A reconciliation between tax charge and accounting profit at applicable tax rates is as follows:

	2024 HK\$M	2023 HK\$M
Profit before taxation	11,203	10,858
Notional tax charge calculated at Hong Kong profits tax rate of 16.5% (2023: 16.5%)	1,848	1,792
Expenses not deductible for tax purposes	411	332
Income not subject to tax	(109)	(259)
Effect of changes in effective tax rate and jurisdictional differences	(616)	(542)
Tax over provisions arising from prior years	(81)	(166)
Recognition of tax losses and temporary differences previously not recognised	(138)	(89)
Tax charge	1,315	1,068

8. Earnings per ordinary share

	2024			2023		
	Profit ^(a) HK\$M	Weighted average number of ordinary shares	Per share amount HK cents	Profit ^(a) HK\$M	Weighted average number of ordinary shares	Per share amount HK cents
Basic earnings per ordinary share	9,607	6,438,120,562	149.2	9,067	6,437,462,747	140.8
Effect of dilutive potential ordinary shares ^(b)						
- Deemed issue of ordinary shares from the exercise of warrants	-	135,936,979		-	171,574,435	
- Convertible bonds and its after tax effect of effective interest	231	810,201,493		235	786,201,867	
Diluted earnings per ordinary share	9,838	7,384,259,034	133.2	9,302	7,395,239,049	125.8

(a) The amounts represent the profit attributable to the ordinary shareholders of the Cathay Group, which is the profit for the period after non-controlling interests and dividends attributable to the holder of the cumulative preference shares classified as equity.

(b) The Company's warrants and convertible bonds as at 31st December 2024 have a dilutive effect to the earnings per ordinary share. The dilutive impact for the year ended 31st December 2024 is presented above. Please refer to notes 15(a) and 15(b) for the background and details of warrants and convertible bonds.

9. Property, plant and equipment

During the year ended 31st December 2024, no impairment was recognised for the Group's cash generating units and non-financial assets. A reversal of impairment of HK\$46 million (2023: HK\$208 million) under the Company was relating to one (2023: three) previously impaired aircraft returning to service.

10. Intangible assets

Goodwill is allocated to the Group's Cash Generating Units ("CGUs") as follows:

	2024 HK\$M	2023 HK\$M
Cathay Pacific Airways Limited	7,884	7,884
HK Express	3,616	3,616
Others	115	115
	11,615	11,615

The recoverable amount of each of the Group's CGUs was based on the higher of its fair value less costs of disposal and its value in use ("VIU"). The VIUs of the Group's two principal operating CGUs (the Company and HK Express) were estimated using a discounted cash flow analysis.

The calculations use cash flow projections that are based on business plans prepared by management and supported by the Board of Directors. The business plans reflect the most recent developments as at the reporting date. Management's expectations reflect performance to date and are consistent with the assumptions that it considers a market participant would make.

For the Company CGU the assessment assumes a continued recovery in passenger travel in the near term with a steadily growing momentum of passenger traffic in the longer term. However, the revenue efficiency in the long-term forecast is considered weaker than historical levels owing to increased competition associated with the new Three Runway System at Hong Kong International Airport. Cash flows beyond the forecast period are extrapolated with an estimated general annual growth rate of 3.0% (2023: 3.0%) which does not exceed the long-term average growth rate for the industry (IATA's most recent 20-year global forecast is 3.8%). Cash outflows include capital and maintenance expenditure including the purchase of aircraft and other property, plant and equipment. The discount rate used of 9.5% (2023: 9.6%) is pre-tax and reflects the specific risks related to the relevant segment. The assessment results in headroom over the carrying values of the CGU as at 31st December 2024 and consequently no impairment has been made.

For the HK Express CGU, the assessment reflects stronger growth than the Company in the near term, due to strong demand as a low cost carrier, particularly with the opening of the Three Runway System, and improved capacity from the expansion in its fleet profile. Cash flows beyond the forecast period are extrapolated with an estimated general annual growth rate of 3.0% (2023: 3.0%). The discount rate used of 11.7% (2023: 12.1%) is pre-tax and reflects the specific risks related to the HK Express segment. The assessment results in headroom over the carrying values of the CGU as at 31st December 2024 and consequently no impairment has been made.

The recoverable amounts of CGUs with allocated goodwill are determined based on value in use calculations, using cash flow projections derived from the approved a forecast covering a period of 10 years, and application of a discounted terminal value. Projections for a period of greater than five years have been used on the basis that a longer projection period represents the long-term nature of aircraft assets and a more appropriate reflection of future cash flows from potential legislative, regulatory and structural changes in the industry.

Management believes that any reasonably foreseeable change in any of the above key assumptions would not cause the carrying amounts of the CGUs including related goodwill to exceed the recoverable amounts of the respective CGUs.

11. Interest-bearing liabilities

	2024 HK\$M	2023 HK\$M
Non-current liabilities:		
Loans and other borrowings	33,174	33,576
Lease liabilities	23,675	24,195
	56,849	57,771
Current liabilities:		
Loans and other borrowings	7,423	5,719
Lease liabilities	4,203	4,804
	11,626	10,523
Total borrowings	68,475	68,294
Liquid funds	(10,534)	(15,530)
Net borrowings	57,941	52,764

Included in lease liabilities, HK\$10,844 million (2023: HK\$11,321 million) pertains to leases without asset transfer components, and included in other borrowings, HK\$4,646 million (2023: HK\$4,855 million) relates to sale-and-leaseback financing arrangements without asset transfer at the end of contract term.

12. Trade and other receivables

	2024 HK\$M	2023 HK\$M
Trade debtors, net of loss allowances	4,731	4,323
Derivative financial assets - current portion	505	253
Other receivables and prepayments	2,078	1,512
Due from associates and other related companies	12	164
	7,326	6,252

	2024 HK\$M	2023 HK\$M
Analysis of trade debtors (net of loss allowances) by invoice date:		
Within one month	4,241	3,850
One to three months	478	467
More than three months	12	6
	4,731	4,323

	2024 HK\$M	2023 HK\$M
Analysis of trade debtors (net of loss allowances) by age:		
Current	4,373	4,076
Within three months overdue	330	244
More than three months overdue	28	3
	4,731	4,323

The movements in the expected credit loss allowance in respect of trade debtors during the year are as follows:

	2024 HK\$M	2023 HK\$M
At 1st January	41	36
Expected credit loss recognised	63	5
At 31st December	104	41

13. Liquid funds

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid funds and the availability of an adequate amount of committed undrawn credit facilities to meet obligations when due.

The Group will fund its committed contractual maturities through cash flows earned and financing available under its credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising liquid funds and the undrawn credit facilities below) on the basis of expected cash flows. In addition, the Group's liquidity management policy includes monitoring balance sheet liquidity ratios against internal and external benchmarks and maintaining debt financing plans.

Management has assessed cash flow forecasts under various scenarios. Management is of the opinion that the Group has sufficient unrestricted liquidity for at least the next 12 months from the date of approval of the consolidated financial statements. Accordingly, management concludes that it is appropriate to prepare the financial statements on a going concern basis.

At the end of the reporting period, the Group held liquid funds of HK\$10,534 million (2023: HK\$15,530 million) that is available for managing liquidity risk.

(a) Financial arrangements

The Group had access to the following liquid funds and undrawn facilities at the end of the reporting period:

	2024 HK\$M	2023 HK\$M
Available unrestricted liquidity to the Group	19,073	19,985
Uncommitted bank overdraft facilities	417	438

Due to the dynamic nature of the underlying businesses, the Group treasury function also maintains funding flexibility through available committed and uncommitted credit facilities. Committed undrawn facilities may be drawn at any time in either Japanese yen, Hong Kong dollar or United States dollar. Uncommitted bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(b) Payment profile of financial liabilities

The undiscounted payment profile of financial liabilities is outlined as follows:

	2024				Total HK\$M
	Within one year HK\$M	After one year but within two years HK\$M	After two years but within five years HK\$M	After five years HK\$M	
Group					
Loans and other borrowings	(9,797)	(14,447)	(16,527)	(6,430)	(47,201)
Lease liabilities	(5,484)	(4,576)	(12,409)	(11,117)	(33,586)
Other long-term payables	-	(1,341)	(1,218)	(621)	(3,180)
Trade and other payables	(18,200)	-	-	-	(18,200)
Derivative financial liabilities, net	(294)	(137)	-	-	(431)
Total	(33,775)	(20,501)	(30,154)	(18,168)	(102,598)

13. Liquid funds (continued)

	2023				Total HK\$M
	Within one year HK\$M	After one year but within two years HK\$M	After two years but within five years HK\$M	After five years HK\$M	
	Group				
Loans and other borrowings	(7,651)	(8,746)	(23,697)	(6,386)	(46,480)
Lease liabilities	(6,302)	(4,944)	(12,002)	(12,415)	(35,663)
Other long-term payables	-	(561)	(1,399)	(556)	(2,516)
Trade and other payables	(16,816)	-	-	-	(16,816)
Derivative financial liabilities, net	(393)	(169)	-	-	(562)
Total	(31,162)	(14,420)	(37,098)	(19,357)	(102,037)

14. Trade and other payables

	2024 HK\$M	2023 HK\$M
Trade creditors	7,480	7,397
Derivative financial liabilities - current portion	277	422
Other payables	9,935	8,879
Due to associates	334	139
Due to other related companies	451	401
	18,477	17,238

	2024 HK\$M	2023 HK\$M
Analysis of trade creditors by invoice date:		
Within one month	7,033	7,047
One to three months	384	291
More than three months	63	59
	7,480	7,397

The Group's general payment terms are one to two months from the invoice date.

Included in other payables above, the Group had a provision of HK\$170 million (2023: HK\$657 million) for possible or actual taxation (other than income tax), litigation and claims. The movements during the year are as follows:

	2024 HK\$M	2023 HK\$M
At 1st January	657	324
Addition	-	400
Reversal	(465)	-
Provision utilised	(22)	(67)
At 31st December	170	657

15. Share capital

	2024		2023	
	Number of shares	HK\$M	Number of shares	HK\$M
Issued and fully paid				
Ordinary shares				
At 1st January	6,437,900,319	28,828	6,437,200,203	28,822
Conversion of bonds (note 15(b))	1,508,931	13	700,116	6
At 31st December	6,439,409,250	28,841	6,437,900,319	28,828
Preference shares				
At 1st January (note 15(a))	-	-	195,000,000	19,500
Reduction	-	-	(97,500,000)	(9,750)
Redemption (note 15(a))	-	-	(97,500,000)	(9,750)
At 31st December	-	-	-	-
		28,841		28,828

Save as described below, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's ordinary shares (including sale of treasury shares) and no exercise of warrants during the years ended 2024 and 2023.

- (a) In 2020, the Company issued (a) 195,000,000 preference shares (the "Preference Shares") and (b) 416,666,666 warrants (the "Warrants") to Aviation 2020 Limited, a limited company wholly owned by the Financial Secretary Incorporated. The Preference Shares were redeemable by the Company at HK\$100 per share plus any unpaid dividends. The Warrants entitled Aviation 2020 Limited to subscribe for up to 416,666,666 fully paid ordinary shares at the initial warrant exercise price of HK\$4.68 per share (subject to adjustment upon occurrence of certain prescribed events including distributions). The expiry date of the Warrants was five years from the Warrants issue date of 12th August 2020.

As a result of dividends declared in 2023 and 2024, the exercise price of the Warrants was adjusted to HK\$4.32 per share, increasing the maximum number of ordinary shares issuable to 451,388,888.

On 11th October 2023, shareholders approved the reduction of HK\$19,500 million from the Company's preference shares capital account ("Capital Reduction") which was completed on 16th November 2023. The proceeds were partially applied to redeem and cancel 97,500,000 Preference Shares at HK\$100 per share plus unpaid dividends on 4th December 2023 (the "First Redemption"). The remaining proceeds were applied to redeem and cancel the remaining 97,500,000 Preference Shares at a redemption price of HK\$100 per preference share plus any unpaid dividends on 31st July 2024 (the "Final Redemption").

Separately, on 30th August 2024, the Company entered into an agreement to repurchase and cancel all Warrants from Aviation 2020 Limited for a total consideration of HK\$1,532 million ("Warrants Repurchase"). The Warrants Repurchase was completed on 13th September 2024.

Details of the issue of Preference Shares and Warrants, First Redemption, Final Redemption, adjustments to the exercise price of the Warrants and Warrants Repurchase are set out in the Company's announcements.

As at 31st December 2024, the Company has no Preference Shares or Warrants in issue.

15. Share capital (continued)

- (b) On 18th August 2023, 700,116 ordinary shares were issued at HK\$8.57 each, totalling a principal amount of HK\$6 million. On 13th May 2024 and 13th December 2024, additional 246,305 shares and 1,262,626 shares were issued at HK\$8.12 each and HK\$7.92 each respectively for principal amount of HK\$2 million and HK\$10 million. These conversions represent less than 0.003% of the total convertible bonds (“Bonds”). For the year ended 31st December 2024, HK\$12 million (2023: HK\$6 million) of the Bonds were converted.

As a result of dividends declared in 2023 and 2024, the exercise price of the Bonds was adjusted to HK\$7.92 per share, increasing the maximum number of ordinary shares issuable upon full conversion of the outstanding Bonds to 850,000,000.

On 14th November 2024, Cathay Pacific Finance III Limited as the Issuer and the Company entered into a Dealer Manager Agreement with dealers for the repurchase of the Bonds at HK\$9.3663 (“Bonds Repurchase”). As at 31st December 2024, a total principal amount of HK\$6,722 million of the Bonds was outstanding, out of which HK\$4,558 million, representing 67.89% in aggregate principal amount of the Bonds, was repurchased, settled and cancelled by 2nd January 2025 under the Bonds Repurchase. After completion of the Bonds Repurchase, the outstanding principal amount of the Bonds was HK\$2,164 million.

Details of issue of the Bonds, adjustments to the conversion price of the Bonds and Bonds Repurchase are set out in the Company’s announcements.

16. Dividends

- (a) Dividends on cumulative preference shares issued by the Company

The Preference Shares accrued dividends at the rate of:

- (i) 3% per annum from and including the Issue Date (i.e. 12th August 2020) to but excluding the date falling three years from the Issue Date (the “First Step-up Date”);
- (ii) 5% per annum from and including the First Step-up Date up to (but excluding) 31st July 2024, the completion date of the Final Redemption.

Dividends on cumulative preference shares were paid semi-annually in arrears at the applicable rates. Dividends on cumulative preference shares were not accrued until declared and were classified as distributions from equity.

On 14th February 2024, the Company paid dividend of HK\$244 million to the preference shareholder. On 31st July 2024, the Company paid final dividend of the HK\$227 million on the remaining 97,500,000 Preference Shares to preference shareholder. During the year, the profit attributable to preference shareholder is HK\$281 million (2023: HK\$722 million).

- (b) Dividends payable to ordinary shareholders

Dividends payable to ordinary shareholders attributable to the year are as follows:

	2024 HK\$M	2023 HK\$M
First interim dividend declared and paid of HK\$0.20 per share (2023: nil)	1,288	-
Second interim dividend proposed after the end of the reporting period of HK\$0.49 per ordinary share (2023: HK\$0.43 per ordinary share)	3,155	2,768
	4,443	2,768

16. Dividends (continued)

The second interim dividend was proposed after the end of the reporting period and therefore has not been recognised as a liability at 31st December 2024.

The Directors have declared second interim dividend of HK\$0.49 per ordinary share for the year ended 31st December 2024. Together with the first interim dividend of HK\$0.20 per ordinary share paid on 9th October 2024 (“2024 First Interim Dividend”), these represent a total dividend distribution for the year of HK\$4,443 million. The second interim dividend will be paid on 8th May 2025 to ordinary shareholders registered at the close of business on the record date, being Thursday, 3rd April 2025. Ordinary shares of the Company will be traded ex-dividend as from Tuesday, 1st April 2025.

The Company’s dividend policy for ordinary shareholders is to distribute approximately half of its consolidated profit after tax, excluding non-cash exceptional items. The application of this policy and final declarations are however subject to consideration of other factors, such as the strength of the Company’s own statement of financial position, the Company’s own profits, trading conditions and the prevailing and forecast economic environment.

The register of members will be closed on Thursday, 3rd April 2025, during which day no transfer of shares will be effected. In order to qualify for entitlement to the second interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 2nd April 2025.

To facilitate the processing of proxy voting for the annual general meeting to be held on 14th May 2025, the register of members will be closed from Friday, 9th May 2025 to Wednesday, 14th May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 8th May 2025.

17. Corporate governance

The Company is committed to maintaining a high standard of corporate governance. The Company complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules throughout the year covered by the annual report.

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Securities Code”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules.

On specific enquiries made, all the Directors of the Company have confirmed that they have complied with the required standard set out in the Model Code and the Securities Code.

Details of the Company’s corporate governance principles and processes will be available in the 2024 Annual Report.

The annual results have been reviewed by the Audit Committee of the Company.

18. Annual report

The 2024 Annual Report containing all the information required by the Listing Rules of the Stock Exchange will be published on the Stock Exchange's website and the Company's website www.cathaypacific.com on 7th April 2025, and copies will be dispatched to shareholders on 8th April 2025.

As at the date of this announcement, the Directors of the Company are:

Executive Directors: Patrick Healy (Chair), Ronald Lam, Lavinia Lau, Alexander McGowan, Rebecca Sharpe; Non-Executive Directors: Ma Chongxian (Deputy Chair), Guy Bradley, Gordon McCallum, Sun Yuquan, Merlin Swire, Augustus Tang, Wang Mingyuan, Xiao Feng; Independent Non-Executive Directors: Bernard Chan, Lily Cheng, Christoph Mueller and Wang Xiao Bin.

By Order of the Board

Cathay Pacific Airways Limited

Patrick Healy

Chair

Hong Kong, 12th March 2025

Website: www.cathaypacific.com

Disclaimer

This document may contain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macro-economic and geopolitical uncertainties, changes in the competitive environment, data quality, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.