

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to sell, dispose of, acquire, purchase or subscribe for any security of the Company and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever.*

*Distribution of this announcement into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this announcement should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability.*

## **CATHAY PACIFIC AIRWAYS LIMITED**

**國泰航空有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

## **CATHAY PACIFIC FINANCE III LIMITED**

(Incorporated in the Cayman Islands with limited liability)

**HK\$6,740,000,000 2.75% Guaranteed Convertible Bonds due 2026**

Unconditionally and Irrevocably Guaranteed by the Company

(Stock Code: 40580)

### **Proposed Repurchase of Bonds**

#### **Joint Dealer Managers**



*(in alphabetical order)*

### **INTRODUCTION**

Reference is made to the announcement of the Company dated 15th November 2024 in relation to the Repurchase (the “**Announcement**”). Unless the context requires otherwise, terms defined in the Announcement shall have the same meanings in this announcement.

As disclosed in the Announcement, the Issuer and the Company entered into the Dealer Manager Agreement with the Joint Dealer Managers on 14th November 2024, pursuant to which the Joint Dealer Managers have been appointed in connection with the Repurchase, amongst others, to assist the Issuer in collecting indications of interest from Bondholder(s) who are willing to sell some or all of their Existing Bonds to the Issuer.

## **REPURCHASE PRICE**

The Board announces that, based on the Reference Share Price of HK\$9.3663 (being the greater of (i) HK\$8.04 (being the closing price of the Shares on the Hong Kong Stock Exchange on 14th November 2024) and (ii) HK\$9.3663 (being the arithmetic average of the volume-weighted average price per Share on the Hong Kong Stock Exchange on each of the Designated Trading Days which are not Excluded Trading Days)), the Repurchase Price has been set at 120.472% of the principal amount of the Existing Bonds.

The Issuer will, on 23rd December 2024, pay to the settlement agent the aggregate of the Accrued Interest and the Repurchase Price in respect of the Accepted Bonds for the settlement agent to pay to each Bondholder the aggregate of the Accrued Interest and the Repurchase Price in respect of that Bondholder's Accepted Bonds upon that Bondholder's delivery to the settlement agent of those Accepted Bonds. The Repurchase of all the Accepted Bonds will be completed when such settlement process is completed, which is expected to be on or around 23rd December 2024.

## **ACCEPTED BONDS**

As the volume-weighted average price per Share on the Hong Kong Stock Exchange on eight Designated Trading Days exceeded HK\$9.65, the Pre-Scaling Accepted Bonds (in the aggregate principal amount of HK\$6,560,000,000 (for the avoidance of doubt, taking into account both (a) the commitments received before the publication of the Announcement from Bondholders to sell Existing Bonds and (b) the Further Repurchases)) were subject to Scaling as follows:

- (i) The aggregate principal amount of the Pre-Scaling Accepted Bonds was reduced such that the aggregate principal amount of the Accepted Bonds was (before taking into account the acceptance of the re-offers of the Re-offered Bonds referred to below) HK\$4,462,000,000.
- (ii) The Pre-Scaling Accepted Bonds for each relevant Bondholder were reduced on a pro-rata basis (or as close as practicable to a pro-rata basis).

Bondholders were entitled to re-offer all (but not some) of their Pre-Scaling Accepted Bonds which would be excluded from acceptance as a result of Scaling as Re-offered Bonds. The aggregate principal amount of the Re-offered Bonds so re-offered by Bondholders was HK\$96,000,000. The Issuer has accepted all of such re-offers.

The Accepted Bonds will be cancelled after completion of the Repurchase.

The aggregate principal amount of the Accepted Bonds (taking into account the effect of Scaling and the acceptance of the re-offers of the Re-offered Bonds) is HK\$4,558,000,000, which, together with the Bonds which have already been converted and cancelled, represent approximately 67.89% in principal amount of the Bonds originally issued.



## **FURTHER PURCHASE OF THE REMAINING EXISTING BONDS**

The Issuer and/or the Company may continue to purchase the Existing Bonds from time to time in the open market or otherwise pursuant to the Conditions and in accordance with applicable laws and regulations. The Issuer may exercise the Redemption Right when the Redemption Event happens.

### **GENERAL**

This announcement is made by the Company and the Issuer pursuant to Rule 13.09(2) and Rule 37.47B of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**While the conditions precedent to completion of the Repurchase in the Dealer Manager Agreement have been satisfied, the Dealer Manager Agreement may be terminated under certain circumstances, such that there remains no assurance that the Repurchase will be completed. Shareholders of the Company, Bondholders and potential investors are advised to exercise caution in dealing in the Shares and in the Existing Bonds.**

### **NOTICE TO U.S. HOLDERS OF BONDS**

The Repurchase is being made for the securities of a company incorporated in the Cayman Islands with limited liability, which are convertible into securities of and guaranteed by a company incorporated in Hong Kong with limited liability. The Repurchase is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information made available by the Company has been prepared in accordance with Hong Kong Accounting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Repurchase will be made in the United States pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom and otherwise in accordance with the requirements of the laws of Hong Kong. Accordingly, the Repurchase will be subject to Hong Kong disclosure and other procedural requirements (if and to the extent that they are applicable), including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Repurchase by a U.S. Bondholder may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each U.S. Bondholder is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of acceptance of the Repurchase.

U.S. Bondholders may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Company is located in a country outside the United States and some or all of its officers and directors may be residents



of a country other than the United States. U.S. Bondholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. Bondholders may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Company hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, the Existing Bonds outside of the United States, other than pursuant to the Repurchase, before or during the period in which the Repurchase remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law. Any information about such purchases will be reported to the Hong Kong Stock Exchange and, to the extent made public by the Hong Kong Stock Exchange, will be available on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), in each case, in accordance with applicable laws and regulations.

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.

As at the date of this announcement, the Directors of the Issuer are Ronald Lam, Rebecca Sharpe and Joanna Lai.

By Order of the Board

**CATHAY PACIFIC AIRWAYS LIMITED**

國泰航空有限公司

Joanna Lai

Company Secretary

Hong Kong, 20th December 2024