CATHAY

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CATHAY PACIFIC AIRWAYS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Announcement

2026 Interim Results

Cathay Pacific Airways Limited (the "Company") and its subsidiaries ("Cathay", the "Cathay Group" or the "Group") offer products and services across four principal lines of business – Cathay Pacific, Cathay Cargo, Cathay Lifestyle and Hong Kong Express Airways Limited ("HK Express").

Financial and Operational Highlights

Group Financial Statistics		2026	2025	Change
		Six months ended 30th June		
Results				
Revenue	*HK$ million*	**68,061**	54,309	**+25.3%**
Profit attributable to the shareholders of the Cathay Group	*HK$ million*	**6,243**	3,651	**+71.0%**
Earnings per ordinary share				
- Basic	*HK cents*	**99.5**	56.7	**+75.5%**
- Diluted	*HK cents*	**99.5**	54.8	**+81.6%**
Dividend per ordinary share	*HK cents*	**26**	20	**+30.0%**
Profit margin	*%*	**9.2**	6.7	**+2.5%pt**
		30th June	31st December	
Financial position				
Funds attributable to the shareholders of the Cathay Group	*HK$ million*	**58,018**	60,110	**-3.5%**
Net borrowings[(a)]	*HK$ million*	**47,267**	46,812	**+1.0%**
Available unrestricted liquidity[(b)]	*HK$ million*	**23,575**	24,957	**-5.5%**
Ordinary shareholders' funds per ordinary share	*HK$*	**9.5**	8.9	**+6.7%**
Net debt/equity ratio[(a)]	*Times*	**0.81**	0.78	**+0.03 times**

Operating Statistics		2026	2025	Change
		Six months ended 30th June		
The Company				
Available tonne kilometres (ATK)	*Million*	**14,739**	13,699	**+7.6%**
Revenue tonne kilometres (RTK)	*Million*	**10,741**	9,701	**+10.7%**
Cost per ATK (with fuel)[(c)]	*HK$*	**3.87**	3.28	**+18.0%**
Fuel consumption per million ATK	*Barrels*	**1,345**	1,321	**+1.8%**
Fuel consumption per million RTK	*Barrels*	**1,845**	1,864	**-1.0%**
Cost per ATK (without fuel)[(c)]	*HK$*	**2.42**	2.30	**+5.2%**
ATK per HK$'000 employee cost	*Unit*	**1,806**	1,852	**-2.5%**
ATK per employee	*'000*	**583**	552	**+5.6%**
Aircraft utilisation	*Hours per day*	**11.9**	10.8	**+10.2%**
Average age of fleet	*Years*	**13.3**	12.3	**+1.0year**
Cathay Pacific				
Available seat kilometres (ASK)	*Million*	**74,662**	66,792	**+11.8%**
Revenue passenger kilometres (RPK)	*Million*	**65,334**	56,651	**+15.3%**
Passenger revenue per ASK	*HK cents*	**57.9**	51.2	**+13.1%**
Revenue passengers carried	*'000*	**16,006**	13,627	**+17.5%**
Passenger load factor	*%*	**87.5**	84.8	**+2.7%pt**
Passenger yield	*HK cents*	**66.1**	60.4	**+9.4%**
On-time performance (passenger)	*%*	**75.1**	79.9	**-4.8%pt**
Cathay Cargo				
Available freight tonne kilometres (AFTK)	*Million*	**7,626**	7,336	**+4.0%**
Revenue freight tonne kilometres (RFTK)	*Million*	**4,514**	4,302	**+4.9%**
Cargo revenue per AFTK	*HK$*	**1.81**	1.52	**+19.1%**
Cargo carried	*'000 tonnes*	**869**	801	**+8.5%**
Cargo load factor	*%*	**59.2**	58.6	**+0.6%pt**
Cargo yield	*HK$*	**3.06**	2.59	**+18.1%**
HK Express				
Available seat kilometres (ASK)	*Million*	**9,426**	8,810	**+7.0%**
Revenue passenger kilometres (RPK)	*Million*	**7,623**	6,947	**+9.7%**
Passenger revenue per ASK	*HK cents*	**43.9**	34.1	**+28.7%**
Revenue passengers carried	*'000*	**4,163**	3,791	**+9.8%**
Passenger load factor	*%*	**80.9**	78.9	**+2.0%pt**
Passenger yield	*HK cents*	**54.3**	43.2	**+25.7%**
On-time performance	*%*	**85.4**	87.1	**-1.7%pt**
Average age of fleet	*Years*	**7.7**	7.6	**+0.1year**

(a) Adjusted net borrowings and the net debt/equity ratio excluding leases without asset transfer components are HK$37,497 million (2025: HK$36,352 million) and 0.65 (2025: 0.60) respectively.

(b) Available unrestricted liquidity includes cash pooling arrangements where overdraft balances are netted off.

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

Fleet Profile[a]

Aircraft type	Number at 30th June 2026				Average age	Orders[c][i]				Expiry of leases without asset transfer[b]					
		Leased[b]													
	Owned	With asset transfer	Without asset transfer	Total		‘26	‘27	‘28 and beyond	Total	‘26	‘27	‘28	‘29	‘30	‘31 and beyond
The Company (Passenger aircraft):															
A321neo	5	6	5	16	3.6	3[d]	2[d]	3[d]	8						5
A330-300	42		1	43	17.8							1			
A330-900								30	30						
A350-900	20	8	2	30	8.2							2			
A350-1000	11	7		18	6.6										
777-300	17			17	24.7										
777-300ER	26		9	35	13.7										9
777-9							6	29	35						
The Company (Freighter):															
A350F								8[e]	8						
747-400ERF	6			6	17.5										
747-8F	14			14	13.4										
Total of the Company	141	21	17	179	13.3	3	8	70	81	-	-	3	-	-	14
HK Express:															
A320-200	3[f]		3	6	18.3							2	1		
A320-200neo			10	10	7.3	2[d][g]	2[d][g]	4[d][g]	8			2	2	1	5
A321-200	2[f]		8	10	11.3										8
A321-200neo	7[f]	9[f]		16	1.8	3[d][g]	11[d][g]	2[d][g]	16						
Total	12	9	21	42	7.7	5	13	6	24	-	-	4	3	1	13
Air Hong Kong[h]:															
A330-243F			4	4	12.4					2				2	
A330-300P2F			10	10	14.7					3		4	3		
Total	-	-	14	14	14.1	-	-	-	-	5	-	4	3	2	-
Grand total	**153**	**30**	**52**	**235**	**12.3**	**8**	**21**	**76**	**105**	**5**	**-**	**11**	**6**	**3**	**27**

(a) The table does not reflect aircraft movements after 30th June 2026.
(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 Leases (“HKFRS 16”).
(c) The Group believes that based on its available unrestricted liquidity as at 30th June 2026, 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 Group exercised purchase right to acquire two A350F aircraft in May 2026.
(f) The aircraft are sub-leased to HK Express.
(g) Final split between Airbus A320-200neo and A321-200neo is subject to adjustment in accordance with future operational requirements.
(h) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.
(i) The Group also has the right to acquire 87 additional aircraft.

CATHAY

Chair's Statement

I am pleased to be writing my first message to you as Chair of the Cathay Group, made all the more meaningful as we celebrate our 80th anniversary this year.

The Cathay Group achieved a strong financial performance in the first half of 2026. Our result was positively impacted by ongoing underlying demand for Cathay Pacific and Cathay Cargo, improved performance from HK Express, and stronger contributions from associates. As a Group, we carried more passengers and cargo, and operated more flights compared with the first half of 2025.

Having got off to a strong start in the first quarter, we faced a more challenging second quarter due to the situation in the Middle East and the resulting significant increase in jet fuel prices. This resulted in our jet fuel costs almost doubling from the first quarter to the second quarter. We introduced measures to attempt to mitigate some of the increased cost, including adjustments to passenger and cargo fuel surcharges. That we were able to achieve our first-half performance despite these circumstances is testament to the resilience we have built into our business in recent years.

Performance of the Cathay Group

The Cathay Group, including airlines, subsidiaries and associates, reported an attributable profit of HK$6,243 million in the first half of 2026 (2025 first half: HK$3,651 million). The earnings per ordinary share in the first half of 2026 were HK99.5 cents (2025 first half: HK56.7 cents).

Our airlines and subsidiaries reported an attributable profit of HK$4,880 million for the first half of 2026 (2025 first half: HK$3,832 million). The net results from associates, the majority of which are recognised three months in arrears, reflected an attributable profit of HK$410 million (2025 first half: loss of HK$181 million).

The attributable profit for the first half of 2026 included non-recurring gains of HK$1.0 billion, mainly from the non-cash deemed partial disposal gain of approximately HK$1.4 billion arising from the dilution of the Group's equity interest in Air China Limited ("Air China") from 15.09% to 12.85% following the completion of Air China's issuance of new shares as announced by Air China on 9th June 2026.

Our first-half result has allowed us to announce a first interim dividend to ordinary shareholders of HK$0.26 per ordinary share, representing a 30% increase when compared with the first interim dividend of 2025. This will be paid on Thursday, 8th October 2026 to ordinary shareholders registered at the close of business on the record date, being Friday, 4th September 2026. Ordinary shares of the Company will be traded ex-dividend as from Wednesday, 2nd September 2026.

In February, we completed the buyback of Qatar Airways' shareholding in the Company, reflecting our long-term confidence in our business prospects. Meanwhile, in April, we completed our first ever Hong Kong dollar bond issuance, which was initially sized at HK$2.08 billion and subsequently increased to HK$2.88 billion amid strong demand.

As at 30th June 2026, our available unrestricted liquidity balance was HK$23,575 million.

Performance of our four lines of business

Cathay Pacific's passenger revenue increased by 26.3% to HK$43,203 million compared with the first half of 2025. Cathay Pacific carried a total of 16.0 million passengers in the first half of 2026, an average of around 88,400 per day, which was 17.5% more than the same period in 2025.

The increase in revenue was driven by ongoing strong underlying travel demand, amplified by increased transit traffic through Hong Kong as travellers looked to other hubs due to the Middle East situation in the second quarter. We leveraged our network to strengthen Hong Kong International Airport's hub status, carrying more transit passengers, bringing more people to Hong Kong to support our economy, and generating more sales from overseas markets.

Cathay Cargo's revenue in the first half of 2026 increased by 23.9% to HK$13,806 million. Total tonnage increased by 8.5% to 869 thousand tonnes.

Cathay Cargo's first-half performance was strong reflecting the sustained demand for cargo capacity, especially across key lanes in our network. Results were boosted by the carriage of high value technology products to support the data centre industry and AI boom. We delivered both tonnage and revenue growth by leveraging our network strength, working closely with key customers and applying disciplined inventory management.

Cathay Lifestyle showed a robust performance in our Asia Miles business, supported by good momentum in our product business (Holidays, Shopping, Insurance and Retail Media).

Overall costs for Cathay before subsidiaries and associates increased compared with the first half of 2025. Non-fuel costs for the first half of 2026 increased by 13.1% to HK$35,674 million compared with the same period in 2025. Net fuel costs increased by HK$7,909 million (or 59.1%) compared with the same period in 2025.

Our wholly owned low-cost carrier HK Express's passenger revenue increased by 37.8% to HK$4,139 million compared with the first half of 2025. HK Express carried a total of 4.2 million passengers in the first half of 2026, an average of around 23,000 per day, which was 9.8% more than in the same period in 2025.

HK Express reported a loss before net finance charges and taxation of HK$73 million for the first half of 2026 (2025 first half: loss of HK$524 million). The airline showed substantial improvement in its financial results, putting it on the path towards a turnaround in performance. However, its performance was affected by the significant increase in jet fuel prices in the second quarter.

Performance of other subsidiaries and associates

Air Hong Kong reported a profit before net finance charges and taxation of HK$481 million for the first half of 2026 (2025 first half: HK$474 million). Its results have been consistently solid.

Results from our airline services subsidiaries improved in the first half of 2026 compared with the same period in 2025.

Results from associates, recognised three months in arrears, improved compared with the first half of 2025. This was primarily driven by Air China's improved performance due to higher capacity deployment, stronger revenue generation, improved yield quality and disciplined cost control, partly offset by elevated jet fuel prices.

Outlook

Looking ahead, summer travel demand going into the third quarter is looking strong. We remain cautiously optimistic for the rest of the year, subject to developments in the Middle East situation and other macroeconomic factors. We remain on track to reach our 2026 passenger capacity growth target of around 10% as a Group. For cargo, we are cautiously optimistic about the upcoming peak season, and we plan to add freighter services on trunk routes in line with the expected demand surge, while expanding freighter capacity through additional services operated by Air Hong Kong.

While jet fuel prices have come down from their peak in the second quarter, recently they have been increasing again due to the escalation of tensions in the Middle East. We expect the impact of elevated fuel prices will continue for the rest of the year and we remain alert to the changing geopolitical and market situation.

We continue to make important investments in the future of Cathay and have already committed around HK$150 billion in investments into our fleet, cabin and lounge products, and digital innovation. This investment reflects our commitment to growing our business for the long term, contributing to the development of the Hong Kong international aviation hub and thereby leading to even greater opportunities for Cathay and Hong Kong as a whole.

Looking ahead in the next 10 years, we target to have 150 new aircraft join our fleet, and a network serving 150 destinations, if the market conditions are favourable. These aircraft would provide more capacity to support our growth plans and help build connectivity at our home hub.

Appreciation

As we continue to celebrate "80 Years Together" with Hong Kong this year, I would like to take this opportunity to thank our fantastic teams at Cathay, our loyal customers, and our shareholders. It is through their dedicated service and enduring support that we have been able to achieve the milestones we have reached throughout our eight-decade history, and we look forward to continuing to grow together with Hong Kong for many years to come.

Guy Bradley
Chair
Hong Kong, 5th August 2026

Review of Operations

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

	Capacity ASK/AFTK (million)*			Load factor (%)			Yield
	2026	2025	**Change**	**2026**	2025	**Change**	**Change**
Cathay Pacific passenger services							
Americas	**22,485**	19,888	**+13.1%**	**91.2**	88.4	**+2.8%pt**	**+6.1%**
Southeast Asia and Oceania	**19,171**	17,492	**+9.6%**	**84.2**	82.5	**+1.7%pt**	**+12.5%**
Europe	**14,318**	12,055	**+18.8%**	**90.2**	88.5	**+1.7%pt**	**+15.4%**
North Asia	**13,574**	12,479	**+8.8%**	**83.3**	78.5	**+4.8%pt**	**+5.7%**
South Asia, Middle East and Africa	**5,114**	4,878	**+4.8%**	**87.4**	85.7	**+1.7%pt**	**+10.0%**
Overall	**74,662**	66,792	**+11.8%**	**87.5**	84.8	**+2.7%pt**	**+9.4%**
Cathay Cargo	**7,626**	7,336	**+4.0%**	**59.2**	58.6	**+0.6%pt**	**+18.1%**

* 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 wider Greater Bay Area (GBA)

- We operated more flights and capacity to provide greater choice for our customers travelling to and from Hong Kong and the wider GBA.
- In terms of outbound travel from Hong Kong, the Chinese Mainland emerged as an increasingly popular destination during holiday periods in the first half of 2026.
- Demand for our premium cabins from Hong Kong and the wider GBA remained robust, supported by strong business travel and healthy premium leisure travel.
- Inbound traffic to Hong Kong recorded healthy growth from across our network.
- At the Spring session of this year's Canton Fair, we continued to operate a dedicated service counter at the exhibition venue and expanded our intermodal service network to include Nansha Ferry Port for the first time. We also extended our ground services into the exhibition hall, providing on-site check-in and baggage services to provide a more seamless and reliable experience as customers embarked on their return or onward journeys.

Americas

- Load factor in our premium cabins on North America routes improved year on year, supported by strong demand from the region, robust business travel and healthy transit traffic.
- Transit traffic via Hong Kong remained robust, particularly from the United States to the Chinese Mainland, and between India and the United States, underscoring Hong Kong's global connectivity.
- In March 2026, we launched a non-stop five-times-weekly service to Seattle, further expanding our network in the North America market.
- As at 30th June 2026, Cathay Pacific's scheduled passenger services covered nine destinations in the Americas.

Southeast Asia and Oceania

- Robust demand from Southeast Asia and Oceania to Hong Kong was further supported by increased volumes of transit passengers through Hong Kong to destinations in the Americas, Europe and North Asia.
- From March 2026, we have increased our daily service to Kuala Lumpur from three return flights per day to four, enhancing connectivity for our customers.
- We announced that we would be suspending our winter service to Cairns from October 2026, and we will continue to regularly review our schedule and network to best align with market demand.
- As at 30th June 2026, Cathay Pacific's scheduled passenger services covered 20 destinations in Southeast Asia and Oceania.

Europe

- Europe's performance was boosted by changes in traffic flows due to the Middle East situation during the first half of 2026, particularly on itineraries connecting Europe and Oceania via Hong Kong.
- Following the temporary suspension of our services to Dubai and Riyadh, we mounted additional flights and capacity to Europe in March and April to cater for an upsurge in market demand as passengers prioritised alternative routings.
- As at 30th June 2026, Cathay Pacific's scheduled passenger services covered 12 destinations in Europe.

North Asia

- Our Chinese Mainland routes continued to perform well, supported by robust demand from both outbound traffic from Hong Kong and inbound traffic from the Chinese Mainland. In addition, transit traffic through Hong Kong to and from the Chinese Mainland recorded solid growth, further reinforcing the city's role as an international aviation hub.
- We announced that we would be increasing flights to Xi'an starting 11th July 2026, bringing frequencies from a daily service to 12 return flights per week.
- In March 2026, we expanded our Seoul service from four daily flights to five, providing customers with greater choice and convenience.
- As at 30th June 2026, Cathay Pacific's scheduled passenger services covered 28 destinations in North Asia.

South Asia, the Middle East and Africa

- In light of the situation in the Middle East, followed by softened demand for travel to the region, we have temporarily suspended our Dubai and Riyadh passenger flights since March 2026.
- We announced plans to launch flights to Almaty in the first quarter of 2027, marking our first destination in Central Asia and strengthening Hong Kong's connectivity with an important Belt and Road region.
- As at 30th June 2026, Cathay Pacific's scheduled passenger services covered 11 destinations in South Asia, the Middle East and Africa.

Cathay Cargo

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

- As the largest cargo carrier at HKIA, Cathay Cargo was proud to be a key contributor to it being named the world's busiest cargo airport for the 15th time since 2010.
- We offered over 90 return freighter flights a week to more than 40 destinations across our global network, in addition to utilising belly space on the Cathay Group's passenger flights to over 100 destinations worldwide from our Hong Kong hub.

Americas

- As at 30th June 2026, we operated freighters to 12 destinations in the Americas, in addition to utilising belly space on Cathay Pacific's passenger flights.
- We ramped up freighter frequencies on transpacific routes in March 2026 ahead of quarter-end peak demand.
- Inbound traffic into Hong Kong remained robust, underpinned by steady general cargo and perishable exports from North America.
- We recorded healthy flows to South Asia, the Middle East and Africa in March and April 2026, driven by shifts in market capacity.
- Demand for our Cathay Secure solution remained strong, driven by consistent volumes of high-value cargo from North America to Hong Kong.

Southeast Asia and Oceania

- As at 30th June 2026, we operated freighters to 11 destinations in Southeast Asia and Oceania, in addition to utilising belly space on the Cathay Group's passenger flights.
- We launched a weekly freighter service to Bangkok in May 2026, marking the return of our dedicated freighter flights to the city following our last regular freighter operation 10 years ago.
- Strong export momentum to the Americas was observed, led by high-tech electronics from Southeast Asia, supporting growth in our Cathay Priority solution as customers sought assured capacity and speed.
- Exports of fresh fruit and seafood from Southeast Asia and Oceania into the Greater Bay Area and key Asian cities continued to drive demand for our Cathay Fresh solution.

North Asia

- As at 30th June 2026, we operated freighters to nine destinations in North Asia, in addition to utilising belly space on the Cathay Group's passenger flights.
- Export activity from the Chinese Mainland remained resilient, particularly on Europe- and intra-Asia-bound routes, driven by general cargo and high-tech electronics.
- Regional semiconductor shipments continued to underpin growth in our Cathay Expert solution.
- Exports of lithium batteries from Japan to South Asia, the Middle East and Africa, as well as automotive parts to Europe, supported steady demand for our Cathay Dangerous Goods solution.

Europe

- As at 30th June 2026, we operated freighters to five destinations in Europe, in addition to utilising belly space on Cathay Pacific's passenger flights.
- We operated one additional freighter on the Amsterdam-Paris route in March 2026 to support quarter-end demand.
- We saw solid flows of consolidation cargo into Hong Kong and Southeast Asia, partially supported by changes in market capacity dynamics.
- Performance of our Cathay Pharma and Cathay Secure solutions was strong, supported by sustained pharmaceutical shipments into Asia and high-value cargo movements into Hong Kong.
- We successfully transported approximately 60 elite showjumping horses from Europe to Hong Kong for the Longines Hong Kong International Horse Show 2026, highlighting our expertise in live animal logistics as the event's founding partner.

South Asia, the Middle East and Africa

- As at 30th June 2026, we operated freighters to six destinations in South Asia, the Middle East and Africa, in addition to utilising belly space on Cathay Pacific's passenger flights.
- Demand into Southeast Asia remained steady, supported by general cargo and pharmaceutical shipments.
- We have temporarily suspended our freighter flights serving Dubai and Riyadh since March 2026 due to the situation in the Middle East.

Cathay Lifestyle

Cathay Lifestyle's vision is to become a leading premium travel lifestyle brand by building deep, engaging relationships with customers through curated products and experiences throughout their lifetime. We interact with customers beyond their journeys, foster loyalty, and leverage relationships for additional value. This includes Asia Miles, our established mileage business, and new product sales businesses which include hotels, retail, experiences and insurance. Both streams provide access to the Cathay membership programme and Asia Miles, allowing members to earn and use miles for full or partial payment.

Financial Review

Revenue

	Cathay Group			The Company		
	Six months ended 30th June			Six months ended 30th June		
	2026 HK$M	2025 HK$M	**Change**	**2026 HK$M**	2025 HK$M	**Change**
Passenger services	**47,342**	37,212	**+27.2%**	**43,203**	34,208	**+26.3%**
Cargo services	**15,702**	12,761	**+23.0%**	**13,806**	11,141	**+23.9%**
Other services and recoveries	**5,017**	4,336	**+15.7%**	**5,040**	4,369	**+15.4%**
Total revenue	**68,061**	54,309	**+25.3%**	**62,049**	49,718	**+24.8%**

Cathay Pacific passenger revenue increased by 26.3% compared with a 11.8% increase in available seat kilometres. Cathay Cargo revenue increased by 23.9%, compared with a 4.0% increase in available freight tonne kilometres. Revenue from other services and recoveries increased by 15.4%.

Operating Expenses

	Cathay Group			The Company		
	Six months ended 30th June			Six months ended 30th June		
	2026 HK$M	2025 HK$M	**Change**	**2026 HK$M**	2025 HK$M	**Change**
Employee	**10,287**	9,382	**+9.6%**	**8,134**	7,444	**+9.3%**
Inflight service and passenger expenses	**3,140**	2,583	**+21.6%**	**3,104**	2,548	**+21.8%**
Landing, parking and route expenses	**9,367**	8,076	**+16.0%**	**8,530**	7,249	**+17.7%**
Fuel, including hedging (gains)/losses	**23,224**	14,654	**+58.5%**	**21,299**	13,390	**+59.1%**
Aircraft maintenance	**5,648**	4,295	**+31.5%**	**4,932**	3,679	**+34.1%**
Aircraft depreciation and rentals	**4,739**	4,589	**+3.3%**	**4,431**	4,257	**+4.1%**
Other depreciation, amortisation and rentals	**1,522**	1,401	**+8.6%**	**1,113**	1,041	**+6.9%**
Others	**3,539**	3,403	**+4.0%**	**4,482**	4,268	**+5.0%**
Operating expenses	**61,466**	48,383	**+27.0%**	**56,025**	43,876	**+27.7%**
Net finance charges	**1,088**	1,477	**-26.3%**	**948**	1,066	**-11.1%**
Total operating expenses	**62,554**	49,860	**+25.5%**	**56,973**	44,942	**+26.8%**

- The Group's and the Company's total operating expenses increased by 25.5% and 26.8% respectively.
- The Company's ATK increased 7.6% from 13,699 million to 14,739 million.
- The cost per ATK (with fuel) of the Company increased from HK$3.28 to HK$3.87, an increase of 18.0%.
- The cost per ATK (without fuel) of the Company increased from HK$2.30 to HK$2.42, an increase of 5.2%.

Operating Results Analysis

	Six months ended 30th June		
	2026 HK$M	2025 HK$M	**Change**
The Company's profit before non-recurring items and taxation	**5,076**	4,776	**+6.3%**
Taxation	**(546)**	(746)	**-26.8%**
The Company's profit after taxation and before non-recurring items	**4,530**	4,030	**+12.4%**
Subsidiaries' results	**350**	(198)	**+276.8%**
The Company and subsidiaries' profit after taxation and before non-recurring items	**4,880**	3,832	**+27.3%**
Share of associates' results	**410**	(181)	**+326.5%**
Profit attributable to the shareholders of the Cathay Group after taxation and before non-recurring items	**5,290**	3,651	**+44.9%**
Gain on deemed partial disposal of an associate (note a)	**1,432**	-	**N/A**
Net loss on other non-recurring items	**(479)**	-	**N/A**
Profit attributable to the shareholders of the Cathay Group	**6,243**	3,651	**+71.0%**
Recurring underlying profit attributable to the shareholders of the Cathay Group (note b)	**5,290**	3,651	**+44.9%**

Notes:

(a) Please refer to note 4 below.

(b) The recurring underlying profit for the six months ended 30th June 2026 was calculated excluding non-recurring items, which included a gain on deemed partial disposal of an associate, a gain on disposal of an associate and a provision arising from a historical payment matter.

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

	HK$M	
The Company's 2025 interim profit before non-recurring items and taxation	**4,776**	
Increase of revenue:		
- Passenger and cargo revenue	**11,660**	- Passenger revenue increased as a result of 15.3% increase in traffic, along with a 9.4% increase in yield. - Cargo revenue increased due to 4.0% increase in capacity in freighter and passenger fleet belly space, along with an 18.1% increase in yield.
- Other services and recoveries	**671**	- Increase due to higher passenger volumes and more mileage sales.
Increase of costs:		
- Employee	**(690)**	- Increased due to higher headcount as capacity increased, as well as salary increments.
- Inflight service and passenger expenses	**(556)**	- Increased due to higher passenger volumes as well as enhancements to dining propositions aiming at improving customer experience.
- Landing, parking and route expenses	**(1,281)**	- Increased due to operating additional capacity to long-haul destinations.
- Fuel, including hedging (gains)/losses	**(7,909)**	- Increased fuel costs were mainly due to the surge in jet fuel prices due to Middle East situation, as well as higher fuel consumption as capacity increased.
- Aircraft maintenance	**(1,253)**	- Higher due to increased aircraft flying hours and timing of regular maintenance checks, with a concentration of scheduled overhauls during the period.
- Owning the assets (includes aircraft and other depreciation, rentals and net finance charges)	**(128)**	- Impact of lounge enhancements, partially offset by savings in net finance charges.
- Other items	**(214)**	- Sales commissions and distribution expenses increased on more traffic.
The Company's 2026 interim profit before non-recurring items and taxation	**5,076**	

Fuel Expenditure and Hedging

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

	Six months ended 30th June	
	2026	2025
	HK$M	HK$M
Gross fuel cost	**24,102**	14,436
Fuel hedging (gains)/losses	**(878)**	218
Net fuel cost	**23,224**	14,654

Fuel costs increased mainly due to 53.2% increase in the average into-plane fuel price, as well as a 9.0% increase in consumption.

Financial Position

Financial position as at 30th June 2026. The comparative period references 31st December 2025.

- Additions to property, plant and equipment during the six months period to 30th June 2026 were HK$3,490 million, comprising HK$3,038 million in respect of aircraft and related equipment, HK$356 million in respect of land and buildings and HK$96 million in respect of other equipment.
- Borrowings (being loans and other borrowings, and lease liabilities) increased by 7.4% to HK$63,495 million. Excluding leases without asset transfer components, borrowings increased by 10.5% to HK$53,725 million, which are fully repayable by 2035, with 46% 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 2025 Annual Report.
- Available unrestricted liquidity at 30th June 2026 totalled HK$23,575 million, comprising liquid funds of HK$16,228 million and committed undrawn facilities of HK$7,989 million, less bank overdrafts of HK$639 million and 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 1.0% to HK$47,267 million. Excluding leases without asset transfer components, net borrowings increased by 3.1% to HK$37,497 million.
- Funds attributable to the shareholders of the Cathay Group decreased by 3.5% to HK$58,018 million. This was due to the Group's attributable profit for the period of HK$6,243 million, increase in other comprehensive income of HK$2,534 million, ordinary shares repurchase and convertible bonds conversion of HK$6,977 million and dividend distributed to ordinary shareholders of HK$3,892 million.
- Excluding leases without asset transfer components, the net debt/equity ratio increased from 0.60 times to 0.65 times (against borrowing covenants of 2.0). Taking into account the effect of adopting HKFRS 16 on net borrowings, the net debt/equity ratio increased from 0.78 times to 0.81 times.
- The Group's policies in relation to financial risk management including the management of currency, interest rate and fuel price exposures and the use of financial instruments to hedge these exposures are set out in the 2025 Annual Report.

Review of the Performance of Key Subsidiaries and Associates

- HK Express recorded a loss before net finance charges and taxation of HK$73 million in the first half of 2026, compared with a loss before net finance charges and taxation of HK$524 million in the first half of 2025. In the first half of 2026, HK Express carried a total of 4.2 million passengers, an increase of 9.8% compared with the same period in 2025. The average flown load factor was 80.9%, an increase of 2.0 percentage points. Available seat kilometres amounted to 9,426 million.
- AHK Air Hong Kong Limited recorded a profit in the first half of 2026, at a similar level compared with the same period in 2025.
- The financial results of Cathay Pacific Catering Services (H.K.) Limited as well as flight kitchens outside Hong Kong in the first half of 2026 were at a similar level compared to the same period in 2025.
- The financial results of Cathay Pacific Services Limited in the first half of 2026 improved compared with the same period in 2025.
- The financial results of Hong Kong Airport Services Limited for the first half of 2026 were at a similar level compared with the same period in 2025.
- The financial results of Vogue Laundry Service Limited for the first half of 2026 improved compared with the same period in 2025.
- The Group's share of Air China Limited's ("Air China") results is based on its financial statements drawn up three months in arrears. Consequently, our 2026 interim results include Air China's results for the six months ended 31st March 2026. For the six months ended 31st March 2026, Air China's financial results improved compared to those for the six months ended 31st March 2025.
- Air China Cargo Co., Ltd. ("Air China Cargo"), in which the Cathay Group owns an equity and economic interest totalling 21.01%, is a leading provider of air cargo services in the Chinese Mainland. Our share of Air China Cargo's results is based on its financial statements drawn up three months in arrears. Consequently, our 2026 interim results include Air China Cargo's results for the six months ended 31st March 2026.

Sustainability Leadership

- Cathay renewed our agreement with DHL Express, together with DHL Global Forwarding. The total committed SAF volume for 2026 under this partnership is over 13,440 tonnes - more than four times the amount recorded in 2025, equivalent to approximately 41,710 tonnes of lifecycle CO_2 emissions reduced.
- Cathay introduced the HK7s Superfan Impact Pass, our first business-to-consumer, event-based SAF offering. This new initiative integrates SAF contributions into the travel and lifestyle experience around the Cathay/HSBC Hong Kong Sevens, driving greater SAF public awareness and engagement.
- Marking Cathay's 80th anniversary, we set an ambition to positively impact 80,000 lives in 2026, through an expanded range of community programmes and partnerships, including with Rugby For Good and HandsOn Hong Kong.
- In collaboration with Rugby For Good, we launched the Cathay GET, SET, MOVE programme to engage primary and secondary school students through rugby-based activities that foster mental and physical wellbeing, promoting the Hong Kong SAR Government's 4Rs Charter – Rest, Relaxation, Resilience and Relationship.
- With HandsOn Hong Kong, we are supporting year-round volunteer efforts for charities across Hong Kong, including elderly care, youth mentoring and environmental conservation, encouraging more people and Cathay volunteers to participate in community service.
- In collaboration with the Hong Kong Youth Aviation Academy, we hosted the 2025 Cathay Inter-School Aviation Challenge Cup in January 2026, bringing together young aviation enthusiasts through interactive learning and teamwork. The 2026 edition will be held later this year.
- We regularly review our People Policies and Employee Value Propositions in alignment with legislation, industry practices and market conditions, as well as taking into account individual and collective performance to ensure that our employee remuneration remains competitive and fair.
- As at 30th June 2026, the Group employed more than 33,000 people worldwide, with around 28,000 employed in Hong Kong.

Consolidated Statement of Profit or Loss

for the six months ended 30th June 2026 – Unaudited

	Note	**2026 HK$M**	2025 HK$M
Revenue			
Passenger services		**47,342**	37,212
Cargo services		**15,702**	12,761
Other services and recoveries		**5,017**	4,336
Total revenue		**68,061**	54,309
Expenses			
Employee		**(10,287)**	(9,382)
Inflight service and passenger expenses		**(3,140)**	(2,583)
Landing, parking and route expenses		**(9,367)**	(8,076)
Fuel, including hedging gains/(losses)		**(23,224)**	(14,654)
Aircraft maintenance		**(5,648)**	(4,295)
Aircraft depreciation and rentals		**(4,739)**	(4,589)
Other depreciation, amortisation and rentals		**(1,522)**	(1,401)
Others		**(3,539)**	(3,403)
Operating expenses		**(61,466)**	(48,383)
Operating profit before non-recurring items		**6,595**	5,926
Gain on deemed partial disposal of an associate	*4*	**1,432**	-
Net loss on other non-recurring items		**(479)**	-
Operating profit	*5*	**7,548**	5,926
Finance charges		**(1,416)**	(1,693)
Finance income		**328**	216
Net finance charges		**(1,088)**	(1,477)
Share of profits/(losses) of associates		**440**	(128)
Profit before taxation		**6,900**	4,321
Taxation	*6*	**(656)**	(670)
Profit for the period		**6,244**	3,651
Profit for the period attributable to			
Ordinary shareholders of the Cathay Group		**6,243**	3,651
Non-controlling interests		**1**	-
Profit for the period		**6,244**	3,651
Recurring underlying profit attributable to shareholders of the Cathay Group*		**5,290**	3,651
Earnings per ordinary share			
Basic	*7*	**99.5¢**	56.7¢
Diluted	*7*	**99.5¢**	54.8¢

* *The recurring underlying profit for the six months ended 30th June 2026 was calculated excluding non-recurring items, which included a gain on deemed partial disposal of an associate of HK$1,432 million (2025: nil) and net loss on other non-recurring items of HK$479 million (2025: nil).*

Consolidated Statement of Other Comprehensive Income

for the six months ended 30th June 2026 – Unaudited

	2026 **HK$M**	2025 HK$M
Profit for the period	**6,244**	3,651
Other comprehensive income		
Items that will or may be reclassified subsequently to profit or loss:		
Cash flow hedges		
- gains/(losses) recognised during the period	**3,019**	(2,148)
- (gains)/losses transferred to profit or loss	**(770)**	106
- deferred taxation (liability)/asset	**(220)**	213
Share of other comprehensive income of associates		
- recognised during the period	**(130)**	(24)
- reclassified to profit or loss upon disposal and deemed partial disposal	**147**	-
Exchange differences on translation of foreign operations		
- gains recognised during the period	**599**	513
- reclassified to profit or loss upon disposal and deemed partial disposal of associates	**(112)**	-
Item that will not be reclassified subsequently to profit or loss:		
Defined benefit plans		
- remeasurement gains/(losses) recognised during the period	**1**	(2)
Other comprehensive income for the period, net of taxation	**2,534**	(1,342)
Total comprehensive income for the period	**8,778**	2,309
Total comprehensive income attributable to		
Ordinary shareholders of the Cathay Group	**8,777**	2,309
Non-controlling interests	**1**	-
	8,778	2,309

Consolidated Statement of Financial Position

at 30th June 2026 – Unaudited

	Note	30th June 2026 HK$M	31st December 2025 HK$M
ASSETS AND LIABILITIES			
Non-current assets and liabilities			
Property, plant and equipment		**115,861**	117,856
Intangible assets		**14,268**	14,335
Investments in associates		**18,869**	17,317
Other long-term receivables and investments		**3,679**	3,583
Deferred tax assets		**1,437**	1,430
		154,114	154,521
Interest-bearing liabilities	*8*	**(45,960)**	(45,193)
Other long-term payables		**(4,154)**	(3,882)
Other long-term contract liabilities		**(127)**	(145)
Deferred tax liabilities		**(9,083)**	(8,671)
		(59,324)	(57,891)
Net non-current assets		**94,790**	96,630
Current assets and liabilities			
Stock		**2,066**	1,864
Trade and other receivables	*9*	**10,255**	8,377
Liquid funds	*10*	**16,228**	12,289
		28,549	22,530
Interest-bearing liabilities	*8*	**(17,535)**	(13,908)
Trade and other payables	*11*	**(20,902)**	(22,203)
Contract liabilities		**(25,524)**	(21,650)
Taxation		**(1,352)**	(1,282)
		(65,313)	(59,043)
Net current liabilities		**(36,764)**	(36,513)
Total assets less current liabilities		**117,350**	118,008
Net assets		**58,026**	60,117
CAPITAL AND RESERVES			
Share capital	*12*	**24,165**	31,123
Reserves		**33,853**	28,987
Funds attributable to the shareholders of the Cathay Group		**58,018**	60,110
Non-controlling interests		**8**	7
Total equity		**58,026**	60,117

Consolidated Statement of Cash Flows

for the six months ended 30th June 2026 - Unaudited

	2026 **HK$M**	2025 HK$M
Operating activities		
Cash generated from operations	**15,057**	12,615
Interest received	**224**	144
Interest paid	**(1,198)**	(1,446)
Tax paid	**(410)**	(160)
Net cash inflow from operating activities	**13,673**	11,153
Investing activities		
Net increase in liquid funds other than cash and cash equivalents	**(4,811)**	(375)
Net decrease/(increase) in other long-term receivables and investments	**151**	(6)
Payments for property, plant and equipment and intangible assets	**(3,707)**	(4,094)
Proceeds from sales of property, plant and equipment	**24**	20
Proceeds from sale of an associate	**779**	-
Dividends received	**75**	174
Repayment from associates	**16**	14
Net cash outflow from investing activities	**(7,473)**	(4,267)
Financing activities		
Loans drawn and refinancing	**11,305**	6,572
Loan and principal elements of lease payments	**(7,809)**	(12,547)
Shares repurchase	**(6,987)**	-
Dividends paid – ordinary shares	**(3,892)**	(3,155)
Net cash outflow from financing activities	**(7,383)**	(9,130)
Net decrease in cash and cash equivalents	**(1,183)**	(2,244)
Cash and cash equivalents at 1st January	**7,990**	5,444
Effect of exchange differences	**53**	121
Cash and cash equivalents at 30th June	**6,860**	3,321

Notes:

1. **Basis of preparation and accounting policies**

The interim financial report has been prepared in accordance 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") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 5th August 2026.

The financial information relating to the year ended 31st December 2025 that is included in this document as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "Ordinance")) in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2025 have been delivered to the Registrar of Companies in Hong Kong in accordance with sections 662(3) and 664 of the Ordinance. An auditor's report has been prepared on those specified financial statements. That report was not qualified or otherwise modified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 406(2), 407(2) or 407(3) of the Ordinance.

The accounting policies, methods of computation and presentation used in the preparation of the condensed financial statements for the six months ended 30th June 2026 are consistent with those described in the annual financial statements for the year ended 31st December 2025.

2. **Changes in accounting policies**

The Group has applied the following amended HKFRS Accounting Standards issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments
- Amendments to HKFRS 9 and HKFRS 7 – Contracts referencing nature dependent electricity
- Annual Improvements to HKFRS Accounting Standards – Volume 11

The amended HKFRS Accounting Standards do not have a material impact on these Condensed Financial Statements and accounting policies. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Segment information

(a) Segment results

	Six months ended 30th June 2026					
	The Company (note i) 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	**61,267**	**4,367**	**1,865**	**562**		**68,061**
Inter-segment sales	**782**	**-**	**5**	**2,622**		**3,409**
Segment revenue	**62,049**	**4,367**	**1,870**	**3,184**		**71,470**
Segment profit/(loss), before exceptional items	**6,024**	**(73)**	**481**	**163**	**-**	**6,595**
Gain on deemed partial disposal of an associate	**1,432**	**-**	**-**	**-**	**-**	**1,432**
Net loss on other non-recurring items	**(479)**	**-**	**-**	**-**	**-**	**(479)**
Segment profit/(loss)	**6,977**	**(73)**	**481**	**163**	**-**	**7,548**
Share of profits of associates	**-**	**-**	**-**	**-**	**440**	**440**
Profit/(loss) before net finance charges and taxation	**6,977**	**(73)**	**481**	**163**	**440**	**7,988**
Corporate items						
Net finance charges						**(1,088)**
Taxation						**(656)**
Profit for the period						**6,244**
Non-controlling interests						**(1)**
Profit attributable to the shareholders of the Cathay Group						**6,243**

	Six months ended 30th June 2025					
	The Company (note i) 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	48,986	3,171	1,595	557		54,309
Inter-segment sales	732	-	5	2,288		3,025
Segment revenue	49,718	3,171	1,600	2,845		57,334
Segment profit/(loss)	5,842	(524)	474	134	-	5,926
Share of losses of associates	-	-	-	-	(128)	(128)
Profit/(loss) before net finance charges and taxation	5,842	(524)	474	134	(128)	5,798
Corporate items						
Net finance charges						(1,477)
Taxation						(670)
Profit for the period						3,651
Non-controlling interests						-
Profit attributable to the shareholders of the Cathay Group						3,651

(i) These amounts are sub-consolidated with insignificant financial results of certain subsidiaries.

(ii) 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.

(iii) HK Express is a low cost passenger carrier offering scheduled services within Asia.

(iv) Air Hong Kong provides express cargo air transportation offering scheduled services within Asia.

(v) Airline services represents our supporting airline operations including catering, cargo terminal operations, ground handling services and commercial laundry operations.

(vi) Associates represents the share of results from associates held by the Group under the equity method.

3. Segment information (continued)

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.

(b) Geographical information

	Six months ended 30th June	
	2026	2025
	HK$M	HK$M
Revenue by origin of sale:		
North Asia		
- Chinese Mainland, Hong Kong and Taiwan	**35,494**	30,078
- Japan and Korea	**2,937**	2,151
Southeast Asia and Oceania	**9,906**	7,024
Americas	**9,720**	7,934
Europe	**7,042**	4,852
South Asia, Middle East and Africa	**2,962**	2,270
	68,061	54,309

A geographic analysis of segment assets is not disclosed for the reasons set out in the 2025 Annual Report.

4. Gain on deemed partial disposal of an associate

Air China

On 9th June 2026, the Group's interest in Air China was diluted from 15.09% to 12.85%, as a result of Air China issuing 3,044 million new A shares to investors with proceeds of the issuance totalling RMB20 billion.

As a result of the above share issuance completed during the period ended 30th June 2026, gain on deemed partial disposal of HK$1,432 million was recognised, principally reflecting the change in the Group's share of net assets of Air China immediately before and after the dilutions.

5. Operating profit

	Six months ended 30th June	
	2026	2025
	HK$M	HK$M
Operating profit has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment		
- right-of-use assets	**1,517**	1,690
- owned	**4,113**	3,709
Amortisation of intangible assets	**316**	332
Expenses relating to short-term leases and leases of low-value assets	**9**	6
Losses/(gains) on disposal of property, plant and equipment, net	**34**	(2)
Cost of stock expensed	**1,208**	934
Exchange differences, net	**50**	97
Auditors' remuneration	**8**	8
Government grants	**(83)**	(87)
Dividend income from unlisted equity investments	**(63)**	(141)

6. Taxation

	Six months ended 30th June	
	2026	2025
	HK$M	HK$M
Current tax expenses		
- Hong Kong profits tax	**197**	210
- overseas tax	**209**	112
- under/(over) provisions for prior years	**26**	(68)
Deferred tax expense		
- origination and reversal of temporary differences	**224**	416
	656	670

Hong Kong profits tax is calculated at 16.5% (2025: 16.5%) on the estimated assessable profits for the period. 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.

The Group is subject to the Organisation for Economic Co-operation and Development ("OECD") Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for global minimum tax reform. Hong Kong has enacted the legislation for Pillar Two effective from 1st January 2025. Based on the Group's current assessment and quantification, the estimated exposure is currently estimated at HK$127 million for the period ended 30th June 2026. However, some degree of uncertainty remains, as the OECD's Inclusive Framework on Pillar Two has indicated that further guidance on Substance-Based Income Exclusion rules for assets and employees is forthcoming.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

7. Earnings per ordinary share

	2026			2025		
	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	**6,243**	**6,272,865,886**	**99.5**	3,651	6,439,409,250	56.7
Effect of dilutive potential ordinary shares[b]						
- Convertible bonds and its after tax effect of effective interest	**-**	**1,262,287**		32	279,668,493	
Diluted earnings per ordinary share	**6,243**	**6,274,128,173**	**99.5**	3,683	6,719,077,743	54.8

(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 convertible bonds as at 30th June 2025 and 2026 have a dilutive effect to the earnings per ordinary share. The dilutive impact is presented above. Please refer to note 12 below for the background and details of convertible bonds.

8. Interest-bearing liabilities

	30th June 2026 HK$M	31st December 2025 HK$M
Non-current liabilities:		
Loans and other borrowings	**25,070**	22,249
Lease liabilities	**20,890**	22,944
	45,960	45,193
Current liabilities:		
Loans and other borrowings	**13,221**	10,176
Lease liabilities	**4,314**	3,732
	17,535	13,908
Total borrowings	**63,495**	59,101
Liquid funds	**(16,228)**	(12,289)
Net borrowings	**47,267**	46,812

Included in other borrowings, HK$3,434 million (31st December 2025: HK$3,511 million) relates to sale-and-leaseback financing arrangements without asset transfer components at the end of contract term. Included in lease liabilities, HK$9,770 million (31st December 2025: HK$10,460 million) pertains to leases without asset transfer components, and HK$15,434 million (31st December 2025: HK$16,216 million) pertains to leases with asset transfer components.

During the six months ended 30th June 2026, the Group issued HK$2,880 million listed notes (31st December 2025: nil) under the Group's US$2.5 billion Medium Term Note Programme.

9. Trade and other receivables

	30th June 2026 HK$M	31st December 2025 HK$M
Trade debtors, net of loss allowances	**5,417**	5,228
Derivative financial assets - current portion	**1,046**	193
Other receivables and prepayments	**3,778**	2,926
Due from associates and other related companies	**14**	30
	10,255	8,377

	30th June 2026 HK$M	31st December 2025 HK$M
Analysis of trade debtors (net of loss allowances) by invoice date:		
Within one month	**5,058**	4,618
One to three months	**349**	596
More than three months	**10**	14
	5,417	5,228

10. Liquid funds

	30th June 2026 HK$M	31st December 2025 HK$M
Cash and cash equivalents		
Short-term deposits and bank balances	**7,499**	8,468
Other liquid funds		
Short-term deposits maturing beyond three months when placed	**4,814**	-
Funds with investment managers		
- debt securities listed outside Hong Kong	**3,912**	3,803
- bank deposits	**-**	15
Other liquid investments		
- debt securities listed outside Hong Kong	**3**	3
Liquid funds	**16,228**	12,289

Included in other liquid investments are debt securities of HK$3 million (31st December 2025: HK$3 million) which are pledged as part of long-term financing arrangements. The arrangements provide that these deposits and debt securities must be maintained at specified levels for the duration of the financing.

Available unrestricted funds to the Group are as follows:

	30th June 2026 HK$M	31st December 2025 HK$M
Liquid funds	**16,228**	12,289
Less: amounts pledged as part of long-term financing		
- debt securities listed outside Hong Kong	**(3)**	(3)
Less: bank overdrafts	**(639)**	(478)
Committed undrawn facilities	**7,989**	13,149
Available unrestricted liquidity to the Group	**23,575**	24,957

Committed undrawn facilities may be drawn at any time in either Hong Kong dollar or United States dollar.

11. Trade and other payables

	30th June 2026 HK$M	31st December 2025 HK$M
Trade creditors	**10,601**	9,529
Derivative financial liabilities – current portion	**404**	1,402
Other payables	**9,451**	10,671
Due to associates	**94**	91
Due to other related companies	**352**	510
	20,902	22,203

	30th June 2026 HK$M	31st December 2025 HK$M
Analysis of trade creditors by invoice date:		
Within one month	**10,224**	9,122
One to three months	**330**	334
More than three months	**47**	73
	10,601	9,529

12. Share capital

	30th June 2026		31st December 2025	
	Number of shares	**HK$M**	Number of shares	HK$M
Issued and fully paid				
Ordinary shares				
At 1st January	**6,722,856,511**	**31,123**	6,439,409,250	28,841
Convertible bonds conversion (note 12(a))	**1,347,708**	**11**	283,447,261	2,282
Ordinary shares repurchase (note 12(b))	**(643,076,181)**	**-**	-	-
Capital reduction (note 12(c))	**-**	**(6,969)**	-	-
At 30th June / 31st December	**6,081,128,038**	**24,165**	6,722,856,511	31,123
Treasury shares				
At 1st January	**-**	**-**	-	-
Conversion of ordinary shares to treasury shares (note 12(b))	**643,076,181**	**-**	-	-
Cancellation of treasury shares (note 12(b))	**(643,076,181)**	**-**	-	-
At 30th June / 31st December	**-**	**-**	-	-

Save as described in this note, 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) during the six months ended 30th June 2026. The Group has not adopted any share option scheme or share award scheme. As at 30th June 2026, 6,081,128,038 ordinary shares were in issue (31st December 2025: 6,722,856,511 ordinary shares).

(a) On 5th February 2021, Cathay Pacific Finance III Limited, a wholly-owned subsidiary of the Company, as the issuer and the Company as the guarantor completed the issuance of HK$6,740 million guaranteed convertible bonds at a rate of 2.75%, with maturity in 2026 (the "Bonds"). The Bonds would be convertible at an initial conversion price of HK$8.57 per ordinary share and convertible up to 786,464,410 ordinary shares of the Company. The Bonds are accounted for as compound financial instruments, with both a liability component and an equity component.

As a result of the interim dividend declared in 2025, the conversion price of the Bonds was adjusted to HK$7.42 per ordinary share with effect from 6th September 2025.

On 15th January 2026 and 20th January 2026, 808,625 ordinary shares and 539,083 ordinary shares were issued at HK$7.42 each representing an aggregate principal amount of HK$10 million.

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 (the "Bonds Repurchase"). A total principal amount of HK$6,722 million of the Bonds was then 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. For the year ended 31st December 2025, convertible bonds in a total principal amount of HK$2,134 million were converted, and a total of 283,447,261 ordinary shares were issued as a result of such conversions. After completion of the Bonds Repurchase and the conversions of Bonds in 2025, the outstanding principal amount of the Bonds was HK$30 million as at 31st December 2025.

During the period, convertible bonds in a total principal amount of HK$10 million (for the period ended 30th June 2025: nil) were converted at the conversion price of HK$7.42 per ordinary share, and a total of 1,347,708 (for the period ended 30th June 2025: nil) ordinary shares were issued. The maturity date (the "Maturity Date") of the Bonds was 5th February 2026 and the exercise of conversion right attaching to the Bonds was up to the close of business on 26th January 2026, which was the 10th day prior to the Maturity Date. The outstanding Bonds in the principal amount of HK$20 million were redeemed by the Company, together with accrued and unpaid interest thereon on the Maturity Date.

12. Share capital (Continued)

(b) On 12th February 2026, an extraordinary general meeting of the Company ("EGM") was held to approve an off-market share buy-back by the Company of the 643,076,181 ordinary shares (the "Buy-back Shares") owned by Qatar Airways Group Q.C.S.C. ("Qatar Airways") at the buy-back price of HK$10.8374 for each Buy-back Share (the "Share Buy-back"), representing all of the ordinary shares owned by Qatar Airways as of the date of the EGM. The total consideration for the Share Buy-back was HK$6,969 million.

The Company announced on 24th February 2026 that, the Share Buy-back was completed on the same date, and the Buy-back Shares was held by the Company as treasury shares (the "Treasury Shares"). On 11th March 2026, the Board, having considered, amongst others, the Company's latest assessment on market conditions and capital management needs, approved, and the Company would proceed with the cancellation of the 643,076,181 Treasury Shares. The Treasury Shares were cancelled on 26th March 2026.

(c) On 15th April 2026, the Company announced a proposed capital reduction by way of a reduction in the credit standing to the share capital account of the Company by an amount of HK$6,969 million (the "Capital Reduction"). The Capital Reduction would offset the reduction in the distributable reserves of the Company arising from the Share Buy-back. The credit arising from the Capital Reduction would be applied to a capital reduction reserve account of the Company and would be regarded as distributable reserves of the Company in accordance with the Ordinance. The Capital Reduction was approved at the annual general meeting of the Company on 13th May 2026 and became effective on 22nd June 2026.

Details of issue of the Bonds, adjustment to the conversion price of the Bonds, Bonds Repurchase, Share Buy-back and Capital Reduction can be found in the Company's announcements.

13. Dividends

Dividends payable to ordinary shareholders (except for the holders of treasury shares) attributable to the previous financial year are as follows:

	Six months ended 30th June	
	2026	2025
	HK$M	HK$M
Interim dividend in respect of the previous financial year, approved and paid during the six months ended 30th June 2026, of HK$0.64 per ordinary share (paid during the six months ended 30th June 2025: HK$0.49 per ordinary share)	**3,892**	3,155

The Directors have declared a first interim dividend ("Interim Dividend") of HK$0.26 per ordinary share for the year ending 31st December 2026. The Interim Dividend which totals HK$1,581 million will be paid on Thursday, 8th October 2026 to ordinary shareholders (except for the holders of treasury shares) registered at the close of business on the record date, being Friday, 4th September 2026. Ordinary shares of thae Company will be traded ex-dividend as from Wednesday, 2nd September 2026. The Interim Dividend was proposed after the end of the reporting period and therefore has not been recognised as a liability as at 30th June 2026. As at 30 June 2026, there were no treasury shares held by the Company (whether held or deposited with the Central Clearing and Settlement System, or otherwise).

The register of members will be closed on Friday, 4th September 2026, during which day no transfer of shares will be effected. In order to qualify for entitlement to the 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 Thursday, 3rd September 2026.

14. 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 reporting period covered by the interim 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. The Securities Code is available on the Company's website.

On specific enquiries made, all Directors of the Company have confirmed that, throughout their tenure during the reporting period covered by the interim report, they have complied with the required standard set out in the Model Code and the Securities Code regarding their securities transactions.

The 2026 interim results have been reviewed by the Audit Committee of the Company and by the external auditors. Details on Corporate Governance can be found in the 2025 Annual Report and in the 2026 Interim Report.

15. Interim report

The 2026 Interim Report containing all the information required by the Listing Rules will be published on the Stock Exchange's website and the Company's website (www.cathaypacific.com) on or before 21st August 2026. Printed copies will be dispatched to shareholders who have elected to receive printed copies on 24th August 2026.

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.

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

Executive Directors: Guy Bradley (Chair), Ronald Lam, Lavinia Lau, Alexander McGowan, Rebecca Sharpe;

Non-Executive Directors: Liu Tiexiang (Deputy Chair), Gordon McCallum, Martin Murray, Qu Guangji, Merlin Swire, Augustus Tang, 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
Guy Bradley
Chair

Hong Kong, 5th August 2026
Website: www.cathaypacific.com

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.