CATHAY 80

INTERIM REPORT 2026

Cathay Pacific Airways Limited

Stock Code: 00293

oneworld

CONTENTS

Corporate Information

Cathay Pacific Airways Limited is incorporated in Hong Kong with limited liability.

Investor relations

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CATHAY PACIFIC AIRWAYS LIMITED

Cathay Pacific Airways Limited (the "Company") was founded in Hong Kong in 1946. It has been deeply committed to its home base for eight decades and remains so, making substantial investments to develop Hong Kong as one of the world's leading international aviation centres. 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").

As at 30th June 2026, Cathay Pacific and HK Express combined offered scheduled passenger services to more than 100 destinations worldwide, including 23 in the Chinese Mainland. Furthermore, the Group serves an additional 176 passenger destinations through codeshare agreements. Cathay Pacific is a founding member of the **one**world global alliance, whose combined network serves almost 1,000 destinations worldwide.

As at 30th June 2026, Cathay Cargo offered scheduled freighter services to 41 destinations worldwide, in addition to utilising belly capacity on the Group's passenger flights. AHK Air Hong Kong Limited ("Air Hong Kong") offered scheduled and charter freighter services to 16 destinations.

The Group had 235 aircraft as at 30th June 2026 and has 105 new passenger and freighter aircraft on order.

The Company had 179 passenger and cargo aircraft as at 30th June 2026. HK Express, a low-cost airline based in Hong Kong offering scheduled services within Asia, is a wholly owned subsidiary of the Company and had 42 aircraft as at 30th June 2026. Air Hong Kong, an express all-cargo carrier offering scheduled and charter services in Asia, is a wholly owned subsidiary of the Company operating 14 aircraft as at 30th June 2026.

The Group's other businesses include its catering, laundry, ground-handling and cargo terminal companies.

As at 30th June 2026, the Company owned 12.85% of Air China Limited ("Air China"), the national flag carrier and a leading provider of passenger, cargo and other airline-related services in the Chinese Mainland. It also owned an equity interest totalling 21.01% of Air China Cargo Co., Ltd. ("Air China Cargo"), which is a leading provider of air cargo services in the Chinese Mainland.

The Cathay Group's corporate headquarters are located at Hong Kong International Airport. As at 30th June 2026, the Cathay Group employed more than 33,000 people worldwide, of whom around 28,000 were employed in Hong Kong. Shares of the Company are listed on The Stock Exchange of Hong Kong Limited, as are the shares of its substantial shareholders Swire Pacific Limited ("Swire Pacific") and Air China.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

GROUP FINANCIAL STATISTICS

		2026	2025	
		Six months ended 30th June		**Change**
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	
		Six months ended 30th June		**Change**
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]

	Number at 30th June 2026														
		Leased[b]				Orders[c][i]				Expiry of leases without asset transfer[b]					
Aircraft type	Owned	With asset transfer	Without asset transfer	**Total**	Average age	'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.

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

CATHAY PACIFIC

Cathay Pacific is the Group's premium, full-service airline and the home carrier of Hong Kong. Cathay Pacific's strategic vision is to be the world's best premium airline, underpinned by our purpose to move people forward in life.

In the first half of 2026, our key focus remained on further elevating the customer experience, strengthening the connectivity of our home hub and expanding our network. Underlying travel demand was strong throughout the first half, amplified by increased connecting traffic through Hong Kong as travellers looked to alternative hubs due to the situation in the Middle East.

Passenger revenue increased by 26.3% to HK$43,203 million in the first half of 2026 compared with the same period in 2025, while revenue passenger kilometre (RPK) traffic increased by 15.3%. Cathay Pacific carried 16.0 million passengers in the first half of 2026, an average of 88,400 passengers per day and 17.5% more than the same period in 2025. Available seat kilometres (ASK) increased by 11.8%. Load factor increased by 2.7 percentage points to 87.5%, while yield increased by 9.4% to HK66.1 cents.

AVAILABLE SEAT KILOMETRES (ASK), LOAD FACTOR AND YIELD CHANGE BY REGION FOR CATHAY PACIFIC PASSENGER SERVICES FOR THE FIRST HALF OF 2026 WERE AS FOLLOWS:

	ASK (million)			Load factor (%)			Yield
	2026	2025	**Change**	**2026**	2025	**Change**	**Change**
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%**

MARKETS

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, 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, Middle East and Africa.

CUSTOMER EXPERIENCE ENHANCEMENTS

- As part of our global lounge enhancement plan, in April 2026, we reopened our newly redesigned flagship lounge The Wing, First at HKIA, marking an important milestone in the evolution of our flagship lounge design worldwide. We also look forward to opening our first-ever dedicated lounge in New York when we move to John F. Kennedy International Airport's state-of-the-art Terminal 6 building, which is scheduled to open later this year.
- Meanwhile, The Wing, Business at HKIA and our Cathay Pacific Lounge at Narita International Airport have been temporarily closed for renovation, with reopening planned for 2027.
- As part of the ongoing terminal redevelopment at Ninoy Aquino International Airport (NAIA), our Cathay Pacific lounge in Manila permanently closed on 31st May 2026.
- Our Boeing 777-300ER retrofit programme continues, bringing our award-winning Aria Suite Business class, new Premium Economy and refreshed Economy cabins to more routes. These new cabins are currently available on flights between Hong Kong and Frankfurt, London Heathrow, Los Angeles, Melbourne, Milan, San Francisco, Sydney and Vancouver, as well as selected regional destinations.
- We remain on track to deliver a brand-new cabin and flat-bed Business class product onboard selected regional Airbus A330-300 aircraft by the end of 2026.

- We are enhancing the Economy cabins onboard our narrowbody Airbus A321neo aircraft to deliver improved passenger comfort and a superior travel experience. The enhanced cabin layout will debut with our first new-delivery A321neo in 2026. We will also begin retrofitting our existing A321neos in the second half of 2026.

AWARDS

- At the World's Best Airlines for 2026 awards organised by AirlineRatings, Cathay Pacific was named second among the World's Best Full-Service Airlines, in addition to winning the World's Best Business Class for our Aria Suite cabins and the World's Best Airline-Branded Lounges.
- Cathay Pacific was proud to receive 11 accolades at the 2026 Cellars in the Sky, one of the aviation industry's most respected wine and beverage award programmes. With four Golds, one Silver, four Bronzes and two Highly Commended recognitions, the awards underscore the depth and quality of our wine offerings, both in the air and on the ground.
- At the 2025 HKACE Customer Service Excellence Awards, Cathay was honoured with nine awards, including three Team awards, five Individual awards and one Programme award. These recognise the excellent service standards set by our people across Cathay.

CATHAY CARGO

Cathay Cargo is the largest cargo operator at Hong Kong International Airport (HKIA). Our strategic vision is to become the world's best air cargo carrier, underpinned by our purpose to deliver cargo that matters to the world.

Cargo revenue in the first half of 2026 was HK$13,806 million, an increase of 23.9% compared with the first half of 2025. Capacity, measured in available freight tonne kilometres (AFTK), increased by 4.0% in the first half of 2026 compared with the same period in 2025. Revenue freight tonne kilometres (RFTK) traffic increased by 4.9%. Total tonnage increased by 8.5% to 869 thousand tonnes. Cargo yield increased by 18.1% to HK$3.06, while load factor averaged 59.2% (2025 first half: 58.6%).

AVAILABLE FREIGHT TONNE KILOMETRES (AFTK), LOAD FACTOR AND YIELD CHANGE FOR THE FIRST HALF OF 2026 WERE AS FOLLOWS:

	AFTK (million)			Load factor (%)			Yield
	2026	2025	**Change**	**2026**	2025	**Change**	**Change**
Cathay Cargo	**7,626**	7,336	**+4.0%**	**59.2**	58.6	**+0.6%pt**	**+18.1%**

MARKETS

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, MIDDLE EAST AND AFRICA

- As at 30th June 2026, we operated freighters to six destinations in South Asia, 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.

AREAS OF FOCUS

CARGO COMMERCIAL

- Amidst geopolitical uncertainties, we closely monitored market developments and adjusted freighter capacity and routings to support revenue performance.
- We continued to support the Air-Land Fresh Lane (ALFL) initiative by the governments of Guangdong and the Hong Kong SAR, building on the initiative launched in 2025 to enable seamless, temperature-controlled imports of perishables into the wider Greater Bay Area, and reinforcing Hong Kong's position as a leading cargo hub. As the first carrier to activate the ALFL, we streamlined cross-boundary clearance for perishables and extended the connection to Macao.

SERVICE AND OPERATIONAL EXCELLENCE

- We improved our hub connectivity with the wider Greater Bay Area through targeted intermodal development with government and airport partners. We advanced sea-air options via the HKIA Dongguan Logistics Park, including a new refrigerated barge service seamlessly connecting perishable shipments from HKIA to Cathay Cargo Terminal Dongguan.
- Through continuous enhancements to the Cargo Connect app, we strengthened governance with centralised operational notices, read-and-sign tracking, and improved real-time checklist control. These upgrades have reinforce safety, compliance, data accuracy and consistent delivery, supporting reliable service outcomes across Cathay Cargo teams and our ground-handling partners.
- We made steady progress in strengthening capability and consistency across our frontline teams through immersive, technology-enabled learning. In partnership with Cathay Academy, we extended virtual reality (VR) training by enabling deployment through head-mounted displays and expanded game-based modules, helping teams practise critical loading, safety and security scenarios in a controlled environment.

CARGO DIGITAL

- Cathay Cargo launched Manage Booking, a significant upgrade to our online booking platform that gives freight forwarders direct control over booking modifications.
- Direct digital bookings made up the vast majority of bookings, and we also expanded marketplace distribution to South Asia, the Middle East and Africa.
- In April 2026, Cathay Cargo strengthened its leadership in air cargo digitalisation by hosting the ONE Record seminar in Hong Kong, bringing together representatives from more than 70 organisations to discuss air cargo ecosystem digitalisation and advance adoption of the ONE Record data-sharing standard. During the same month, we also co-hosted the IATA ONE Record Hackathon to develop innovative digital cargo solutions.

AWARDS

- Cathay Cargo was awarded the World's Best Airline-Branded Cargo Operations at the World's Best Airlines for 2026 awards organised by AirlineRatings.
- Cathay Cargo was recognised at the Changi Airline Awards 2026 as one of the Top 5 Airlines by Cargo Carriage and Absolute Cargo Growth. These honours reflect the strong e-commerce demand and added belly capacity from Singapore, a key regional hub supported by our scheduled freighters.

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.

CATHAY MEMBERSHIP PROGRAMME

MEMBERSHIP

- In the first half of 2026, we continued to grow our Cathay membership base, with active members up 3.8% year to date.
- Following the announcement of our membership programme enhancements in 2025, we are currently in a transition phase to align membership cycles and give members a full year to accrue Status Points towards their desired status tier, prior to the official launch on 1st January 2027.
- In the Chinese Mainland, our active membership base continued to grow, with around 19% now based in the GBA. Digital acquisition accelerated through one-click membership sign-up on Qunar, a leading Chinese Mainland online travel agency, with the capability set to expand to Ctrip from July 2026.
- In March 2026, we hosted our inaugural high-value member event in Shenzhen, bringing together over 40 Cathay Diamond members from the Chinese Mainland to celebrate our 80th anniversary, strengthening our premium proposition with the strategically important GBA market.

FLIGHT AWARDS

- We continued investing in flight awards, with passengers carried on award seats in the first half of 2026 surpassing the same period in 2025.
- The Cathay Pacific Standard Award pricing was updated with effect from 1st May 2026 and will continue to be reviewed regularly to ensure competitiveness and programme sustainability.
- HK Express remains a key air redemption partner. In addition to the Miles Plus Cash option, a miles-only redemption option has been introduced for all HK Express destinations since 1st June 2026.

MILEAGE SALES

PAYMENT

- Our partnership with Standard Chartered continued to deliver strong results across Asia-Pacific, achieving an industry-leading average spend per card. Card spending remained strong in the first half of 2026 supported by targeted campaigns.
- Standard Chartered remains Cathay's exclusive banking partner in Hong Kong, reflecting a long-standing relationship focused on delivering exceptional value to members.
- Points conversion partnerships continued to be a strong contributor, demonstrating the appeal of Asia Miles as a highly desirable global reward currency. In April 2026, Wells Fargo Bank became one of our points conversion partners in North America, strengthening our programme presence in the region.
- In the Chinese Mainland, we expanded Asia Miles' reach and relevance through targeted rewards programmes in the financial sector through a new points conversion partnership with WeBank, Tencent's digital bank, in the first quarter of 2026, and the reactivation of our CITIC partnership in July 2026, strengthening our premium banking proposition and competitiveness in the market.
- In January 2026, we activated our refreshed direct partnership with Ping An, gaining strong traction among its high-value customer base and delivering record levels of miles conversion in the Chinese Mainland.

MILEAGE PARTNERSHIPS

- As at 30th June 2026, members could earn miles seamlessly with a linked card at over 120 partner brands in Hong Kong.
- GBA partnerships grew to 20 lifestyle partners in Shenzhen, expanding Asia Miles earn-and-burn opportunities across wellness, sports and other popular lifestyle propositions.
- Platform partnerships also expanded, with members now earning miles at over 120 premium restaurants in the Chinese Mainland. Enhanced redemption capability unlocks seasonal dining offers through Asia Miles, boosting everyday programme utility.

PRODUCT SALES

CATHAY HOLIDAYS

- We continued to see strong growth in standalone hotel bookings powered by Expedia. Hotel redemption sales grew rapidly following the introduction of miles and Miles Plus Cash as payment options on the platform, underscoring Cathay Holidays' important role in Cathay's overall loyalty proposition.
- The Disney Adventure cruise and flight-plus-cruise packages remained highly popular with our members, with the ship setting sail from Singapore for the first time in March 2026.
- In May 2026, we introduced a new private guided tour product, offering tours to selected destinations such as Changsha, Chengdu, Sri Lanka, Urumqi and Xi'an, in partnership with premium tour operators.

CATHAY SHOP

- To celebrate Cathay's 80th anniversary, we launched a curated collection of archive-inspired travel and lifestyle products, including the popular classic uniform bear series, bringing Cathay's heritage and key milestones to life for customers.
- In June 2026, we opened our first Cathay Shop pop-up store at Hong Kong International Airport (HKIA), offering exclusive anniversary merchandise while creating a direct touchpoint with customers at our home hub.
- Driven by strong demand for the 80th anniversary collection, Cathay Shop's WeChat Mini Programme in the Chinese Mainland achieved record-high sales. This was supported by extensive organic exposure across major social media platforms, reflecting strong member interest in Cathay-branded merchandise.
- We expanded our physical retail footprint through partners such as G.O.D. and the Commercial Press, increasing points of sale from 10 locations in 2025 to 37 by May 2026.
- In May 2026, we launched online duty-free shopping through a partnership with China Duty Free (CDF), enabling customers to shop online and collect their purchases at HKIA using miles, cash, or a combination of both.

INSURANCE

- Our insurance business continued to see growth in the first half of 2026, supported by increased airline network traffic, higher membership penetration, improved customer experience and product expansion.
- In May 2026, we launched a new one-stop insurance platform, offering Cathay members a simple, convenient way to explore and purchase a comprehensive range of premium insurance solutions from our trusted strategic partners while earning Asia Miles.
- Starting June 2026, customers can purchase travel insurance seamlessly via the Cathay Pacific mobile app as part of their air ticket purchase, all under one single payment.

RETAIL MEDIA

- In the first half of 2026, we onboarded 11 new advertisers, including the Richemont Group, which made its inaugural inflight entertainment (IFE) placement with Cathay. We also broadened our government and institutional portfolio and unlocked new propositions for Chinese Mainland advertisers to reach international audiences.

REVIEW OF THE PERFORMANCE AND OPERATIONS OF KEY SUBSIDIARIES AND ASSOCIATES

HONG KONG EXPRESS AIRWAYS LIMITED ("HK EXPRESS")

HK Express is the second largest airline based in Hong Kong and the city's only low-cost carrier. The airline is dedicated to providing affordable fares and more travel options for travellers across Asia.

In the first half of 2026, HK Express carried about 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, an increase of 7.0% compared with the same period last year. The airline's on-time performance of 85.4% continued to rank among the top Hong Kong-based carriers. As at 30th June 2026, HK Express operated scheduled flights to 34 destinations.

MARKETS

HOME MARKET – HONG KONG AND THE WIDER GREATER BAY AREA (GBA)

- As Hong Kong's only low-cost carrier and the largest GBA-based low-cost carrier serving destinations across Asia, HK Express plays an important role in stimulating leisure travel demand, broadening connectivity and strengthening the competitiveness of Hong Kong as an international aviation hub.
- In the first half of 2026, nearly one-third of HK Express's customers came from the wider GBA. HK Express further strengthened its presence in various GBA cities, offering an extensive Asia network, seamless connectivity and flexible travel options to enhance brand awareness in this important, fast-growing market.
- HK Express successfully commenced operations at Terminal 2 (T2) of Hong Kong International Airport on 10th June 2026, marking a new chapter for HK Express as the airline with the largest capacity operating from T2. The relocation is expected to enhance the airline's customer handling capabilities, elevate the travel experience and provide facilities to support its future growth.

NORTH ASIA

- As at 30th June 2026, HK Express operated flights serving more destinations in Japan, South Korea and the Taiwan region than any other Hong Kong-based carrier.
- As part of the airline's ongoing review of its route network to best align with market demand while operating efficiently, HK Express suspended its service to Hualien from January 2026 and Guiyang from May 2026.
- HK Express announced new daily direct flights to Wuxi, which launched on 17th July 2026. With the addition of Wuxi, HK Express serves six Chinese Mainland destinations with 33 return flights per week, furthering expanding its Chinese Mainland network.
- As at 30th June 2026, HK Express operated schedule flights to 23 destinations in North Asia.

SOUTHEAST ASIA

- As at 30th June 2026, HK Express served the most destinations in Malaysia, Thailand and Vietnam among all Hong Kong-based carriers.
- As part of the airline's ongoing review of its route network to best align with market demand while operating efficiently, HK Express suspended its service to Nha Trang from January 2026.
- As at 30th June 2026, HK Express operated scheduled flights to 11 destinations in Southeast Asia.

CUSTOMER EXPERIENCE ENHANCEMENTS

- In the first half of 2026, HK Express focused on introducing new experiences, enhancing its dining options and enriching its product offerings to provide greater flexibility and choice to its customers.
- The Double Up Pass, launched in January 2026, offered customers early access to public promotions, upfront seats and HK Express Priority+ vouchers, adding value to their travel experience.
- In May 2026, HK Express introduced full miles redemption on its "Essential" fare category, allowing Cathay members to redeem these fares on its flights using Asia Miles.

- In July 2026, HK Express launched an exclusive inflight dining series with Satay King, a classic Hong Kong dining brand, to bring authentic Hong Kong-style dishes to the skies, allowing travellers from Hong Kong and beyond to enjoy these local favourites onboard. The airline also launched a series of exclusive plush keychain blind boxes featuring iconic HK Express elements.
- HK Express is progressively launching intra-cabin connectivity from the second quarter of 2026, enabling an enhanced inflight retail experience for food, beverages and merchandise through in-seat mobile ordering.

PASSENGER FLEET

- As at 30th June 2026, HK Express had an all-Airbus narrowbody fleet of 42 aircraft, including six Airbus A320-200 aircraft, 10 Airbus A321-200 aircraft, 10 Airbus A320-200neo aircraft and 16 Airbus A321-200neo aircraft. The fleet had an average age of 7.7 years.
- The modern, fuel-efficient fleet enables HK Express to seize new opportunities within the region and contributes to strengthening Hong Kong's position as Asia's leading international aviation hub.

AWARDS

HK Express achieved significant recognitions in the first half of 2026, underscoring its dedication to excellence across operations and customer experience:

- HK Express was named the World's Best Low-Cost Carrier for 2026 by AirlineRatings, in addition to being named the World's Safest Low-Cost Airline for two consecutive years.
- HK Express won the Gold Award – Best Use of Performance Marketing and the Silver Award – Best Use of Data & Insights at the Interactive Advertising Bureau (IAB) HK Digital Awards 2025, reflecting how the airline has driven results through performance-led execution, while also embedding data and insights at the heart of its decision making.
- HK Express was recognised at the Hong Kong Institute of Human Resource Management (HKIHRM) HR Excellence Awards 2025/26, achieving Elite in the Talent Acquisition Award, and Good Practice in the Employer Branding Award. In addition, the airline received the Three-Year Recognition Award, recognising its unwavering pursuit of excellence and continued commitment to advancing professionalism in human resources.

OPERATING RESULTS OF HK EXPRESS

	Six months ended 30th June		
	2026 HK$M	2025 HK$M	**Change**
Revenue			
Passenger services	**4,139**	3,004	**+37.8%**
Cargo services	**40**	36	**+11.1%**
Other services and recoveries	**188**	131	**+43.5%**
Total revenue	**4,367**	3,171	**+37.7%**
Expenses			
Employee	**(758)**	(641)	**+18.3%**
Inflight service and passenger expenses	**(37)**	(36)	**+2.8%**
Landing, parking and route expenses	**(838)**	(780)	**+7.4%**
Fuel	**(1,394)**	(921)	**+51.4%**
Aircraft maintenance	**(520)**	(427)	**+21.8%**
Aircraft depreciation and rentals	**(582)**	(599)	**-2.8%**
Other depreciation, amortisation and rentals	**(19)**	(18)	**+5.6%**
Others	**(292)**	(273)	**+7.0%**
Operating expenses	**(4,440)**	(3,695)	**+20.2%**
Loss before net finance charges and taxation	**(73)**	(524)	**-86.1%**

AHK AIR HONG KONG LIMITED ("AIR HONG KONG")

- Air Hong Kong principally operates express cargo services for DHL Express.
- At 30th June 2026, Air Hong Kong operated an all-Airbus A330 fleet comprising four dry-leased A330-243F freighters and 10 dry-leased A330-300P2F converted freighters.
- In June 2026, Air Hong Kong signed a lease agreement for an additional Airbus A330-P2F converted freighter, which will be used to operate freighter services to the Chinese Mainland and other regional destinations for Cathay Cargo from the fourth quarter of this year.
- In the first half of 2026, Air Hong Kong operated scheduled and charter flights to 16 major cities in Asia and Australia, including Bangkok, Beijing, Cebu, Chengdu, Ho Chi Minh City, Jakarta, Manila, Nagoya, Osaka, Penang, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.
- In the first half of 2026, available freight tonne kilometres (AFTK) were 419 million, at a similar level compared with the same period in 2025.
- Air Hong Kong recorded a profit in the first half of 2026, at a similar level compared with the same period in 2025.

MATERIAL AIRLINE SERVICES SUBSIDIARIES

CATHAY PACIFIC CATERING SERVICES (H.K.) LIMITED ("CATHAY DINING") AND KITCHENS OUTSIDE HONG KONG

- Cathay Dining operates the principal flight kitchen in Hong Kong providing flight-catering services to 40 international airlines in Hong Kong.
- Cathay Dining produced 15.8 million airline meals and handled 36,319 flights in the first half of 2026, representing a daily average of 87,457 meals and 201 flights, an increase of 12% and 10%, respectively, from the same period in 2025.
- Cathay Dining successfully managed peak Lunar New Year demand, producing meals for over 100,000 passengers on two consecutive days while maintaining safe and reliable operations.
- The financial results of Cathay Dining as well as flight kitchens outside Hong Kong in the first half of 2026 were at a similar level compared with the same period in 2025.
- At the 2026 PAX Readership Awards, Cathay Dining was named Airline Caterer of the Year – Asia, underscoring its prominent position in Asia and further strengthening its status as a leading aviation caterer in Hong Kong.
- In recognition of its sustainability efforts, Cathay Dining achieved the highest Platinum rating under BEAM Plus F&B Version 1.0 (Beta) as one of the pioneering pilot projects.
- Cathay Dining was awarded the HKIA Safety Excellence Award – Merit under the Airport Safety Recognition Scheme 2025/26. In addition, two employees received individual awards in the "Best Safety Supervisor" and "Accident Prevention Measure" categories.

CATHAY PACIFIC SERVICES LIMITED ("CATHAY CARGO TERMINAL")

- Cathay Pacific Services Limited (operating as Cathay Cargo Terminal) manages and operates the Cathay Cargo Terminal at HKIA. As at 30th June 2026, Cathay Cargo Terminal provided cargo-handling services for the Cathay Group and 10 other scheduled airlines, excluding chartered customers.
- Cathay Cargo Terminal handled 867 thousand tonnes of cargo in the first half of 2026, a 9% increase from the same period in 2025.
- The financial results in the first half of 2026 improved compared with the same period in 2025.
- Safety is of paramount importance at Cathay Cargo Terminal. The terminal received the HKIA Safety Excellence Award – Silver under the Airport Safety Recognition Scheme 2025/26.

HONG KONG AIRPORT SERVICES LIMITED ("HAS BY CATHAY")

- HAS by Cathay provides ground-handling services at HKIA to 29 airlines, including Cathay Pacific and HK Express, reflecting continued growth of its customer portfolio.
- In the first half of 2026, the number of flights handled by HAS by Cathay increased by 6.4% compared with the same period in 2025.
- The financial results for the first half of 2026 were at a similar level compared with the same period in 2025.
- In the first half of 2026, HAS by Cathay consistently met and exceeded the Critical Key Performance Indicators requirements set by the Airport Authority Hong Kong.

- HAS by Cathay successfully commenced passenger service operations at Terminal 2 (T2) of HKIA and currently serves approximately 40% of the airlines operating from T2. This has enabled its customer airlines to achieve record-high self-service adoption rates, further strengthening customer experience and both operational efficiency.
- HAS by Cathay continued to advance its sustainability journey in the first half of 2026, increasing its use of Hydrotreated Vegetable Oil (HVO) and introducing its first two electric buses, marking a significant milestone in the electrification of its operations. The company also received the Silver Award – Transport and Logistics at the Hong Kong Awards for Environmental Excellence (HKAEE), underscoring its commitment to environmental stewardship.
- HAS by Cathay received multiple awards at the Airport Authority's 2025/26 Airport Safety Recognition Scheme, underscoring its strong safety culture and operational excellence.
- HAS by Cathay was recognised by the 2026 Customer Service Excellence Programme at HKIA, receiving the Best Check-in Service Award for Check-in Efficiency and the Cross-Company Excellence Award. More than 40 employees also received Individual Excellence Awards, reflecting the company's strong commitment to service and operational excellence.

VOGUE LAUNDRY SERVICE LIMITED ("VLS")

- VLS provides a comprehensive range of professional services in laundry and dry cleaning of commercial linen, uniform and guest garments.
- VLS operates a commercial laundry plant in Yuen Long Industrial Park and runs six valet shops in Hong Kong serving retail customers.
- VLS processed 43 million items of laundry in the first half of 2026 compared with 41 million items in the same period of 2025. The financial results for the first half of 2026 improved compared with the same period in 2025.
- VLS and SF Express have partnered to launch a one-stop laundry and parcel collection service available at over 120 SF Stores across Hong Kong.
- VLS has partnered with a technology vendor to develop a customised automated wet towel machine equipped with AI-powered quality inspection capabilities for the packing and finishing processes. The machine is expected to be delivered in the second half of 2026, enabling a leaner workforce model and higher productivity.

MATERIAL ASSOCIATES

AIR CHINA LIMITED ("AIR CHINA")

- Air China, in which the Cathay Group had a 12.85% interest at 30th June 2026, is the national flag carrier and leading provider of passenger, cargo and other airline-related services in the Chinese Mainland. We are represented on the Board of Directors of Air China and equity account for our share of Air China's results.
- Our share of Air China's 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.
- At 30th June 2026, the net book value and market value of the 2,634 million shares of Air China held by the Cathay Group was HK$12,043 million (constituting 6.6% of the Cathay Group's total assets) and HK$11,167 million respectively.
- No dividend was received from Air China during the period.
- Additional information on Air China, including its performance and prospects, can be found in its public domain.

AIR CHINA CARGO CO., LTD. ("AIR CHINA CARGO")

- Air China Cargo, in which the Cathay Group owns an equity and economic interest totalling 21.01%, is the leading provider of air cargo services in the Chinese Mainland. It has its headquarters in Beijing. Its main operating base is in Shanghai Pudong.
- 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.
- The Group has a dividend receivable of HK$256 million from Air China Cargo as at 30th June 2026.
- Additional information on Air China Cargo, including its performance and prospects, can be found in its public domain.

The Group intends to continue to hold its material associates for the foreseeable future.

OUR AREAS OF LEADERSHIP

Cathay has three areas of leadership that form a key part of our corporate strategy. These three areas – safety and operational excellence, transforming into a digital leader, and becoming a leader in sustainability – are where we are especially focused on building new capabilities for the future.

SAFETY AND OPERATIONAL EXCELLENCE

SAFETY EXCELLENCE

At Cathay, safety is a fundamental commitment to our people, customers and partners. Safety and wellbeing are integral to every choice made and every action taken, and underpin our leadership strategy of safety and operational excellence. In the first half of 2026, we continued to strengthen our safety capability through enhanced governance, deeper risk insight and the integration of human, operational and digital systems.

- **Leadership commitment** – Our executive leadership team continues to champion a strong, visible safety culture across the Cathay Group. This is reinforced through structured engagement, Safety Action Groups and executive-level oversight. In 2026, we further strengthened Board-level safety governance with the appointment of Professor Graham Braithwaite as Chair of the Board Safety Review Committee (BSRC). Professor Braithwaite is an internationally recognised aviation safety expert. His appointment enhances independent oversight, strengthens assurance at the Board level and supports Cathay's ambition to remain at the forefront of safety leadership.
- **Our approach to safety** – Our Safety Management System (SMS) continues to provide a structured and integrated framework for managing operational risk. In 2026, we have enhanced our SMS by:
  - Expanding risk-based decision-making, aligned with IATA Risk-Based IOSA (RBI) principles;
  - Strengthening feedback loops and control effectiveness monitoring, ensuring both preventive and recovery controls are actively managed;
  - Increasing focus on understanding why operations go right, supporting resilience principles.

  This approach enables a more predictive, learning-driven safety system that goes beyond compliance.
- **Safety policy and culture** – Our safety policy remains the foundation of our approach, reinforcing our commitment to Just Culture principles, where our people are supported to report hazards and errors without fear, and where the focus is on learning and improvement. In 2026, we continued our "Safety in Our Every Move" programme, reinforcing that safety is owned by every individual across the organisation. This programme addresses key risks, including workplace and operational safety and ground and airside risk exposure.
- **Strengthening human performance and wellbeing** – Recognising the critical role of people in safe operations, we have advanced our focus on Human Performance Management, including:
  - Continued integration of human factors into operational decision-making;
  - Developing a Group-wide Human Performance/Wellbeing system;
  - Continued promotion of psychological safety and reporting culture.

  This ensures that safety performance reflects real-world operational conditions.
- **Safety governance and assurance** – Safety performance continues to be actively monitored through established governance structures, including Safety Action Groups and the Airline Safety Review Committee (ASRC). These forums review performance, emerging risks and safety actions on a regular basis. In 2026, we further enhanced governance through:
  - Stronger alignment between operational safety groups and corporate risk oversight;
  - Improved data integration across safety, quality and security domains;
  - More structured tracking of safety actions and risk controls, supporting accountability and timely closure.

Our SMS continues to be subject to regular evaluation by the Hong Kong Civil Aviation Department.

- **Compliance and regulatory leadership** – We remain fully committed to compliance with all applicable regulatory requirements and international standards, including ICAO and IATA frameworks. Following the successful completion of the Risk-Based IOSA audit in November 2024, we have continued to mature our safety system in line with RBI principles, and strengthened alignment between safety, quality and operational systems.

To further advance safety excellence, we have prioritised several key initiatives for 2026:

- **Integrated Risk Register and Control Effectiveness Framework** – Enhancing visibility of top operational risks and actively monitoring prevention and recovery controls across the Group.
- **Operational resilience and crisis management capability** – Strengthening crisis response and business continuity capability to ensure safety and operational continuity during disruptions.
- **Proactive safety intelligence** – Strengthening the integration of external intelligence sources to improve real-time situational awareness and support proactive, risk-based operational decision-making, particularly given increasing geopolitical complexity and its impact on global airspace risk exposure.

OPERATIONAL EXCELLENCE

- **Our approach to operational excellence** – Cathay aims to deliver operational excellence built on efficiency and reliability. We take a fully integrated approach to planning our operations that combines commercial and operational considerations to ensure that we deliver, and in the case of disruptions, recover our operations to provide outcomes that are better for our customers, people and business. In addition to this integrated approach, we also leverage digital tools to enhance our ability to efficiently and reliably deliver the flying schedule and support our people with tools for better operational decision-making. We also continue to invest in performance foundations, including initiating programmes to replace Maintenance and Engineering as well as Crew Operations Systems.
- **Operational efficiency** – Our Operations Planning function has been combined with the Integrated Operations Centre from 1st January 2026, creating a larger, unified function known as Integrated Operations. Under this new department, we bring together the planning of pilot, cabin crew and airport resources, as well as aircraft availability, with the responsibility for reliably delivering the schedule on the day of operations. This change aims to unleash further synergies by creating a tighter feedback loop between planning and delivery, and to enable greater optimisation in the deployment of our resources.
- **Operational reliability** – Resilience is built into our flying schedule from the moment we plan our resources to the moment we deliver the schedule on the day of operations. Our Integrated Operations function is in the midst of implementing a digital roadmap that includes the development of a new digital twin that would simulate how our flight schedules behave on a given day and enable the team to build additional resilience into the schedule design and increase the reliability of our operations. When moving from planning to execution, Integrated Operations continues to harness the power of data and new enhanced digital capabilities to better manage issues for our customers and business to deliver the flight schedule. Our artificial intelligence (AI)-enabled decision-support tools leverage a common underlying data logic layer to further optimise our schedule to better prepare for or recover from disruptions. These tools were deployed when Super Typhoon Ragasa led to the suspension of operations at Hong Kong International Airport, enabling us to swiftly rebuild our flight schedule whilst minimising disruption impact on our customers.

DIGITAL

Our vision is to transform Cathay into a digital leader renowned for our strong digital culture and capabilities, whilst keeping our people and customers at the heart of how we use technology. Every year, more than HK$3 billion is dedicated to technological research and development, and digital innovation to enhance our operational efficiency and customer experience. In the first half of 2026, significant progress was achieved in the areas of data analytics and artificial intelligence (AI), innovation, cyber security, and digital talent development.

- **Data analytics and AI** – We expanded our use of AI by launching more than 100 machine learning models to optimise operations, including simulating aircraft movements under the Three-Runway System, managing aircraft deployments, and supporting flight recovery during typhoons. New tools such as an enterprise data catalogue and a digital curriculum are helping to build data skills and foster a digital culture. Our enterprise AI Retrieval Augmented Generation (RAG) capability and Agentic AI framework now improve the sharing and management of internal knowledge, policies and practices, helping to optimise our people's productivity through the adoption of AI agents. Microsoft Copilot, an enterprise AI productivity tool, is available to all ground employees to enhance productivity and capabilities, including the capability to build personal agents. In application development, AI and automation boost productivity from design through software development to testing and deployment. We have introduced AI tools for the IT software development lifecycle (SDLC) at various stages, including requirements, design, development, testing and implementation. An early pilot showed an average productivity uplift of 15%.
- **Technological innovation** – Cathay's digital leadership journey took another step forward in 2025 with the establishment of Cathay Technologies, a new subsidiary created with the goal of bringing Cathay's innovative digital solutions to the wider aviation industry. As part of the Cathay Group, Cathay Technologies oversees the commercialisation of digital products developed in-house by the Group, making them available to the aviation market and helping to drive innovation within the sector. Its flagship product, Electronic Flight Folder (EFF), was first designed and developed in-house in 2019 by Cathay's own aviation professionals. In June 2026, Cathay Technologies signed a strategic agreement with its first external customer, Cargolux, to digitalise its operations through the EFF. Cathay Technologies has also entered into a strategic partnership with the Hong Kong Science and Technologies Park (HKSTP) on its Co-Acceleration Programme Fund, which empowers budding startups in Hong Kong and the rest of the Greater Bay Area. In addition, we teamed up with HKSTP to launch Cathay Accelerate, a joint initiative to co-innovate with home-grown start-ups in Hong Kong by matching their technical capabilities with adoption opportunities within Cathay.
- **Cyber security and IT infrastructure** – We are committed to protecting the information of our people, customers and partners. Our efforts towards ISO 27001 certification underscore our focus on strong cyber security and brand credibility. Most of our applications now run in the cloud, improving reliability, sustainability and AI innovation. We have modernised networks across over 100 global offices, ensuring scalable, secure and resilient infrastructure. In 2025, we introduced passkeys to further strengthen our Identity and Access Management capabilities and enhance the customer and employee experience, delivering a secure, convenient and user-friendly authentication experience across our digital platforms. We also achieved ISO 20000 Certification in 2025, reinforcing the maturity of our IT operations and providing external assurance of service quality, control and operational discipline.
- **Digital talent development** – To leverage AI and technology in our services, we are expanding our team across the wider Greater Bay Area. Following the opening of our Digital and IT offices in Guangzhou (October 2024) and Qianhai, Shenzhen (July 2025), Qianhai now hosts Cathay's largest office in the Chinese Mainland featuring an "Innovation Space" for research and product showcases. Our Digital and IT Graduate Trainee Programme, which launched in 2014, has onboarded over 160 graduates to date. Complementing the graduate programme, our Digital & IT Internship Programme continues to serve as an important talent pipeline.

SUSTAINABILITY

Sustainability is at the core of Cathay's purpose – to move people forward in life, for current and future generations. We understand that achieving this purpose in a more sustainable and responsible manner requires collective efforts. Through deep collaboration across the value chain, from customers and business partners to regulators as well as our people, we aim to lead by example and reach new heights in building a more sustainable future.

In line with this ethos, we have set the following key sustainability targets:

- Achieving net-zero carbon emissions in our operations by 2050.
- Improving our carbon intensity to 670 gCO_2/RTK by 2030, which represents a 10% improvement from the 2025 level of 746 gCO_2/RTK.
- Using sustainable aviation fuel (SAF) for 10% of fuel consumption on Cathay Pacific operating flights by 2030.
- Reducing cabin waste on Cathay Pacific operating flights to an average of 630g per passenger by 2030, equivalent to a 16% reduction from 2025 levels.
- Not having more than 70% of the same gender at the Board level by 2027.

Among sustainability-related risks, climate change has been identified as financially material to the Group in the medium to long term, prior to the implementation of planned mitigation measures. Further information on this assessment, as well as details of our sustainability goals, strategy, progress and performance, can be found in our Sustainability Report 2025, which was published in April 2026 and is available at https://www.cathaypacific.com/cx/en_HK/about-us/sustainability/sustainability-reports.html.

As an associate in the Swire Pacific group, our sustainability strategy aligns with the core pillars of Swire Pacific's SD 2050 Strategy.

ENVIRONMENT

On the environmental front, climate change and circular economy are our priority areas. As a pioneer and early adopter of SAF, we continue to lead the charge in accelerating the regional collaboration, development and deployment of SAF. We also work to transition towards more sustainable use of resources and circular solutions by setting a clear roadmap for SUP and waste reduction. Through these endeavours, we affirm our commitment to sustainability leadership.

The following are some of our key initiatives in our environmental efforts during the first half of 2026:

- We 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.
- We 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.
- We expanded inflight water bottle recycling to 10 airports worldwide apart from Hong Kong International Airport, with six more planned for July 2026. This includes establishing recycling pathways for internationally regulated catering waste at two airports in the United States – an industry first for an international airline.
- We completed ground trials of an AI-enabled meal consumption tracking solution, developed with a Hong Kong-based team, to improve meal planning accuracy and support food waste reduction towards our 2030 cabin waste target.

SOCIAL

Ensuring the safety of our operations, people and customers is of the utmost importance to us. We value our people as one of our greatest assets and are committed to providing them with an inclusive and supportive working environment. This enables us to attract, develop and retain a strong talent pipeline. Cathay has a longstanding commitment to supporting the communities in which we operate. We engage in various community initiatives focused on youth development, sports as well as arts and culture.

OUR PEOPLE

As at 30th June 2026, the Group employed more than 33,000 people worldwide, with around 28,000 employed in Hong Kong.

- Cathay continued to attract talent in Hong Kong, the Chinese Mainland and beyond, offering different job roles to support our continued growth including cabin crew, pilots, cadet pilots, corporate and operations professionals, and other customer-facing roles.
- At the 2026 Betsy Awards, Cathay's signature employee recognition programme, we honoured nearly 1,000 employees from 18 winning teams for their exemplary demonstration of Cathay's values and their excellence in our strategic areas of leadership.

- We regularly review our People Policies and Employer 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.
- Following an external assessment of our Diversity, Equity, Inclusion and Belonging (DEIB) maturity, we refreshed our diversity and inclusion (D&I) strategy and relaunched D&I as Belong@Cathay to enhance our commitment to creating a workplace where every individual feels safe, accepted and empowered to contribute their best.

OUR COMMUNITY

- 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 Relationships.
- 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.
- As Lead Partner, Cathay supported the 10th anniversary edition of Serve-a-thon, a two-week citywide volunteering initiative organised by HandsOn Hong Kong. Over 100 Cathay volunteers joined the launch ceremony in May 2026 and took part in six hands-on volunteering activities across Kwun Tong. A further 120 Cathay volunteers supported various activities throughout the two-week Serve-a-thon, which impacted over 15,000 lives this year.
- 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.
- Cathay and the West Kowloon Cultural District Authority partnered to unveil a new art aircraft livery, "Spirit of Hong Kong – 80th Anniversary Edition", underscoring our commitment to supporting local cultural creativity and elevating the city's arts and culture on the global stage.
- In partnership with the Soong Ching Ling Foundation, we launched the second edition of the Cathay Young Explorers Programme in April 2026, empowering young people with meaningful insights into the Chinese Mainland through immersive cultural experiences and aviation-themed learning across Xinjiang and Xi'an.

GOVERNANCE

Cathay is committed to maintaining and developing robust corporate governance practices and this is further described in the Corporate Governance Report section of our 2025 Annual Report.

SELECTED AWARDS AND RECOGNITIONS

- Cathay was included in the S&P Global Sustainability Yearbook 2026, which recognises top performers in corporate sustainability based on assessments of over 9,200 companies. Companies must be within the top 15% of their industry to be included. We have also been included in the S&P Global Sustainability Yearbook (China) since 2023.
- Cathay has been a constituent of the FTSE4GOOD Index Series since 2009. In 2026, we were recognised among the top 5% of companies in the Travel and Leisure subsector, reflecting our strong sustainability performance relative to other airlines around the world.
- Cathay Pacific was named Winner – AI Pioneer: Best Talent Acquisition Team at the LinkedIn Talent Award, acknowledging our use of AI-enabled hiring practices to enhance speed, insight and the recruitment experience.
- Cathay Pacific was recognised at the HKIHRM HR Excellence Awards 2025/2026 for our achievements in diversity and inclusion, employer branding, people analytics, workplace excellence, and employee development.
- Cathay Pacific received the Great Place to Work™ Certification in the Chinese Mainland, based on positive employee feedback and trust metrics.

The Cathay Group's attributable profit to the shareholders was HK$6,243 million in the first half of 2026 (2025 first half: HK$3,651 million). The Company reported a profit after tax before non-recurring items of HK$4,530 million in the first half of 2026 (2025 first half: HK$4,030 million). Profits from subsidiaries was HK$350 million (2025 first half: losses of HK$198 million), and the share of profits from associates was HK$410 million (2025 first half: losses of HK$181 million).

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 of the Condensed Financial Statements for details.

(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, please also see note 20(d).

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 amid 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 REPORT

To the Board of Directors of Cathay Pacific Airways Limited

(Incorporated in Hong Kong with limited liability)

KPMG

INTRODUCTION

We have reviewed the interim financial report set out on pages 27 to 46, which comprises the consolidated statement of financial position of Cathay Pacific Airways Limited (the "Company") and its subsidiaries (together the "Group") as of 30th June 2026 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
5th August 2026

CONDENSED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30th June 2026 – Unaudited

	Note	2026 HK$M	2025 HK$M	2026 US$M	2025 US$M
Revenue					
Passenger services		**47,342**	37,212	**6,069**	4,771
Cargo services		**15,702**	12,761	**2,013**	1,636
Other services and recoveries		**5,017**	4,336	**644**	556
Total revenue		**68,061**	54,309	**8,726**	6,963
Expenses					
Employee		**(10,287)**	(9,382)	**(1,319)**	(1,203)
Inflight service and passenger expenses		**(3,140)**	(2,583)	**(403)**	(331)
Landing, parking and route expenses		**(9,367)**	(8,076)	**(1,201)**	(1,035)
Fuel, including hedging gains/(losses)		**(23,224)**	(14,654)	**(2,977)**	(1,879)
Aircraft maintenance		**(5,648)**	(4,295)	**(724)**	(551)
Aircraft depreciation and rentals		**(4,739)**	(4,589)	**(608)**	(588)
Other depreciation, amortisation and rentals		**(1,522)**	(1,401)	**(195)**	(180)
Others		**(3,539)**	(3,403)	**(453)**	(436)
Operating expenses		**(61,466)**	(48,383)	**(7,880)**	(6,203)
Operating profit before non-recurring items		**6,595**	5,926	**846**	760
Gain on deemed partial disposal of an associate	4	**1,432**	–	**184**	–
Net loss on other non-recurring items		**(479)**	–	**(61)**	–
Operating profit	5	**7,548**	5,926	**969**	760
Finance charges		**(1,416)**	(1,693)	**(182)**	(218)
Finance income		**328**	216	**42**	28
Net finance charges	6	**(1,088)**	(1,477)	**(140)**	(190)
Share of profits/(losses) of associates		**440**	(128)	**56**	(16)
Profit before taxation		**6,900**	4,321	**885**	554
Taxation	7	**(656)**	(670)	**(84)**	(86)
Profit for the period		**6,244**	3,651	**801**	468
Profit for the period attributable to					
Ordinary shareholders of the Cathay Group		**6,243**	3,651	**801**	468
Non-controlling interests		**1**	–	–	–
Profit for the period		**6,244**	3,651	**801**	468
Recurring underlying profit attributable to shareholders of the Cathay Group*		**5,290**	3,651	**678**	468
Earnings per ordinary share					
Basic	8	**99.5¢**	56.7¢	**12.8¢**	7.3¢
Diluted	8	**99.5¢**	54.8¢	**12.8¢**	7.0¢

* *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).*

The Condensed Financial Statements are prepared and presented in HK$, the functional currency of the Company. The US$ figures are shown only as supplementary information and are translated at US$1:HK$7.8.

The notes on pages 32 to 46 form part of these Condensed Financial Statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30th June 2026 – Unaudited

	2026 HK$M	2025 HK$M	2026 US$M	2025 US$M
Profit for the period	**6,244**	3,651	**801**	468
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)	**387**	(275)
– (gains)/losses transferred to profit or loss	**(770)**	106	**(99)**	14
– deferred taxation (liability)/asset	**(220)**	213	**(28)**	27
Share of other comprehensive income of associates				
– recognised during the period	**(130)**	(24)	**(17)**	(3)
– reclassified to profit or loss upon disposal and deemed partial disposal	**147**	–	**19**	–
Exchange differences on translation of foreign operations				
– gains recognised during the period	**599**	513	**77**	66
– reclassified to profit or loss upon disposal and deemed partial disposal of associates	**(112)**	–	**(14)**	–
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)	**325**	(171)
Total comprehensive income for the period	**8,778**	2,309	**1,126**	297
Total comprehensive income attributable to				
Ordinary shareholders of the Cathay Group	**8,777**	2,309	**1,126**	297
Non-controlling interests	**1**	–	**–**	–
	8,778	2,309	**1,126**	297

The Condensed Financial Statements are prepared and presented in HK$, the functional currency of the Company. The US$ figures are shown only as supplementary information and are translated at US$1:HK$7.8.

The notes on pages 32 to 46 form part of these Condensed Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30th June 2026 – Unaudited

	Note	30th June 2026 HK$M	31st December 2025 HK$M	30th June 2026 US$M	31st December 2025 US$M
ASSETS AND LIABILITIES					
Non-current assets and liabilities					
Property, plant and equipment	*9*	**115,861**	117,856	**14,854**	15,110
Intangible assets	*10*	**14,268**	14,335	**1,829**	1,838
Investments in associates	*11*	**18,869**	17,317	**2,419**	2,220
Other long-term receivables and investments		**3,679**	3,583	**472**	459
Deferred tax assets		**1,437**	1,430	**184**	183
		154,114	154,521	**19,758**	19,810
Interest-bearing liabilities	*12*	**(45,960)**	(45,193)	**(5,892)**	(5,794)
Other long-term payables	*13*	**(4,154)**	(3,882)	**(533)**	(497)
Other long-term contract liabilities		**(127)**	(145)	**(16)**	(19)
Deferred tax liabilities		**(9,083)**	(8,671)	**(1,165)**	(1,112)
		(59,324)	(57,891)	**(7,606)**	(7,422)
Net non-current assets		**94,790**	96,630	**12,152**	12,388
Current assets and liabilities					
Stock		**2,066**	1,864	**265**	239
Trade and other receivables	*14*	**10,255**	8,377	**1,315**	1,074
Liquid funds	*15*	**16,228**	12,289	**2,081**	1,576
		28,549	22,530	**3,661**	2,889
Interest-bearing liabilities	*12*	**(17,535)**	(13,908)	**(2,248)**	(1,783)
Trade and other payables	*16*	**(20,902)**	(22,203)	**(2,681)**	(2,847)
Contract liabilities		**(25,524)**	(21,650)	**(3,272)**	(2,776)
Taxation		**(1,352)**	(1,282)	**(173)**	(164)
		(65,313)	(59,043)	**(8,374)**	(7,570)
Net current liabilities		**(36,764)**	(36,513)	**(4,713)**	(4,681)
Total assets less current liabilities		**117,350**	118,008	**15,045**	15,129
Net assets		**58,026**	60,117	**7,439**	7,707
CAPITAL AND RESERVES					
Share capital	*17*	**24,165**	31,123	**3,098**	3,990
Reserves		**33,853**	28,987	**4,340**	3,716
Funds attributable to the shareholders of the Cathay Group		**58,018**	60,110	**7,438**	7,706
Non-controlling interests		**8**	7	**1**	1
Total equity		**58,026**	60,117	**7,439**	7,707

The Condensed Financial Statements are prepared and presented in HK$, the functional currency of the Company. The US$ figures are shown only as supplementary information and are translated at US$1:HK$7.8.

The notes on pages 32 to 46 form part of these Condensed Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30th June 2026 – Unaudited

	2026 HK$M	2025 HK$M	**2026 US$M**	2025 US$M
Operating activities				
Cash generated from operations	**15,057**	12,615	**1,931**	1,617
Interest received	**224**	144	**29**	18
Interest paid	**(1,198)**	(1,446)	**(154)**	(185)
Tax paid	**(410)**	(160)	**(53)**	(21)
Net cash inflow from operating activities	**13,673**	11,153	**1,753**	1,429
Investing activities				
Net increase in liquid funds other than cash and cash equivalents	**(4,811)**	(375)	**(617)**	(48)
Net decrease/(increase) in other long-term receivables and investments	**151**	(6)	**19**	(1)
Payments for property, plant and equipment and intangible assets	**(3,707)**	(4,094)	**(475)**	(525)
Proceeds from sales of property, plant and equipment	**24**	20	**3**	3
Proceeds from sale of an associate	**779**	-	**100**	-
Dividends received	**75**	174	**10**	22
Repayment from associates	**16**	14	**2**	2
Net cash outflow from investing activities	**(7,473)**	(4,267)	**(958)**	(547)
Financing activities				
Loans drawn and refinancing	**11,305**	6,572	**1,449**	843
Loan and principal elements of lease payments	**(7,809)**	(12,547)	**(1,001)**	(1,609)
Shares repurchase	**(6,987)**	-	**(896)**	-
Dividends paid – ordinary shares	**(3,892)**	(3,155)	**(499)**	(404)
Net cash outflow from financing activities	**(7,383)**	(9,130)	**(947)**	(1,170)
Net decrease in cash and cash equivalents	**(1,183)**	(2,244)	**(152)**	(288)
Cash and cash equivalents at 1st January	**7,990**	5,444	**1,025**	698
Effect of exchange differences	**53**	121	**6**	16
Cash and cash equivalents at 30th June	**6,860**	3,321	**879**	426

The Condensed Financial Statements are prepared and presented in HK$, the functional currency of the Company. The US$ figures are shown only as supplementary information and are translated at US$1:HK$7.8.

The notes on pages 32 to 46 form part of these Condensed Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30th June 2026 – Unaudited

	Attributable to the shareholders of the Cathay Group									
	Share capital HK$M	Capital reduction and treasury shares reserves HK$M	Convertible bond reserve HK$M	Retained profit HK$M	Investment revaluation reserve (non-recycling) HK$M	Cash flow hedge reserve HK$M	Others HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2026	**31,123**	**–**	**2**	**32,915**	**(164)**	**(1,021)**	**(2,745)**	**60,110**	**7**	**60,117**
Changes in equity for the six months ended 30th June 2026:										
Profit for the period	**–**	**–**	**–**	**6,243**	**–**	**–**	**–**	**6,243**	**1**	**6,244**
Other comprehensive income	**–**	**–**	**–**	**1**	**–**	**2,029**	**504**	**2,534**	**–**	**2,534**
Total comprehensive income for the period	**–**	**–**	**–**	**6,244**	**–**	**2,029**	**504**	**8,777**	**1**	**8,778**
Convertible bonds conversion and maturity	**11**	**–**	**(2)**	**–**	**–**	**–**	**1**	**10**	**–**	**10**
Ordinary shares repurchase	**–**	**(6,969)**	**–**	**–**	**–**	**–**	**(18)**	**(6,987)**	**–**	**(6,987)**
Capital reduction	**(6,969)**	**6,969**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2025 second interim dividend	**–**	**–**	**–**	**(3,892)**	**–**	**–**	**–**	**(3,892)**	**–**	**(3,892)**
At 30th June 2026	**24,165**	**–**	**–**	**35,267**	**(164)**	**1,008**	**(2,258)**	**58,018**	**8**	**58,026**
At 1st January 2025	28,841	–	169	26,437	(164)	628	(3,411)	52,500	7	52,507
Changes in equity for the six months ended 30th June 2025:										
Profit for the period	–	–	–	3,651	–	–	–	3,651	–	3,651
Other comprehensive income	–	–	–	(2)	–	(1,829)	489	(1,342)	–	(1,342)
Total comprehensive income for the period	–	–	–	3,649	–	(1,829)	489	2,309	–	2,309
2024 second interim dividend	–	–	–	(3,155)	–	–	–	(3,155)	–	(3,155)
At 30th June 2025	28,841	–	169	26,931	(164)	(1,201)	(2,922)	51,654	7	51,661

The notes on pages 32 to 46 form part of these Condensed Financial Statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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 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 Express	Air Hong Kong	Airline services	Associates	Total
	HK$M	HK$M	HK$M	HK$M	HK$M	HK$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 Express	Air Hong Kong	Airline services	Associates	Total
	HK$M	HK$M	HK$M	HK$M	HK$M	HK$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

3. SEGMENT INFORMATION (continued)

(a) Segment results (continued)

(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.

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. NET FINANCE CHARGES

	Six months ended 30th June	
	2026	2025
	HK$M	HK$M
Net interest charges comprise:		
– lease liabilities stated at amortised cost	**586**	667
– bank loans and overdrafts		
– wholly repayable within five years	**436**	421
– not wholly repayable within five years	**78**	234
– other borrowings		
– wholly repayable within five years	**191**	222
– not wholly repayable within five years	**125**	149
	1,416	1,693
Income from liquid funds:		
– funds with investment managers and other liquid investments at fair value through profit or loss	**(67)**	(88)
– bank deposits and others	**(224)**	(116)
	(291)	(204)
Fair value change:		
– gains on financial derivatives	**(37)**	(12)
	1,088	1,477

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

7. 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 (see note 20(c) to the Condensed Financial Statements).

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.

8. 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 17 to the Condensed Financial Statements for the background and details of convertible bonds.

9. PROPERTY, PLANT AND EQUIPMENT

	Aircraft and related equipment		Other equipment		Land and buildings		
	Owned	Right-of-use assets	Owned	Right-of-use assets	Owned	Right-of-use assets	Total
	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M
Cost							
At 1st January 2026	**179,597**	**38,583**	**5,834**	**49**	**16,038**	**10,288**	**250,389**
Additions	**3,036**	**2**	**96**	**–**	**323**	**33**	**3,490**
Disposals	**(285)**	**(480)**	**(48)**	**(1)**	**(33)**	**(40)**	**(887)**
Transfers	**12**	**–**	**(12)**	**–**	**2**	**–**	**2**
Other right-of-use asset adjustments	**–**	**181**	**–**	**–**	**–**	**266**	**447**
At 30th June 2026	**182,360**	**38,286**	**5,870**	**48**	**16,330**	**10,547**	**253,441**
Accumulated depreciation and impairment							
At 1st January 2026	**97,514**	**14,295**	**4,366**	**27**	**10,577**	**5,754**	**132,533**
Charge for the period	**3,656**	**1,083**	**131**	**5**	**326**	**429**	**5,630**
Disposals	**(145)**	**(350)**	**(30)**	**(1)**	**(33)**	**(24)**	**(583)**
At 30th June 2026	**101,025**	**15,028**	**4,467**	**31**	**10,870**	**6,159**	**137,580**
Net book value							
At 30th June 2026	**81,335**	**23,258**	**1,403**	**17**	**5,460**	**4,388**	**115,861**
At 31st December 2025	82,083	24,288	1,468	22	5,461	4,534	117,856

10. INTANGIBLE ASSETS

	Goodwill	Computer software	Others	Total - Intangible assets	Prepayments	Total - Intangible assets and related prepayments
	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M
Cost						
At 1st January 2026	**11,654**	**10,094**	**39**	**21,787**	**30**	**21,817**
Additions	**–**	**251**	**–**	**251**	**–**	**251**
Transfers	**–**	**(2)**	**–**	**(2)**	**–**	**(2)**
At 30th June 2026	**11,654**	**10,343**	**39**	**22,036**	**30**	**22,066**
Accumulated amortisation and impairment						
At 1st January 2026	**39**	**7,384**	**39**	**7,462**	**20**	**7,482**
Charge for the period	**–**	**313**	**–**	**313**	**3**	**316**
At 30th June 2026	**39**	**7,697**	**39**	**7,775**	**23**	**7,798**
Net book value						
At 30th June 2026	**11,615**	**2,646**	**–**	**14,261**	**7**	**14,268**
At 31st December 2025	11,615	2,710	–	14,325	10	14,335

11. INVESTMENTS IN ASSOCIATES

	30th June 2026 HK$M	31st December 2025 HK$M
Share of net assets		
– listed in Hong Kong and Chinese Mainland	**9,645**	7,576
– listed in Chinese Mainland	**6,462**	6,191
– unlisted	**364**	903
Goodwill	**2,398**	2,714
	18,869	17,384
Less: impairment loss	**-**	(83)
	18,869	17,301
Loans due from associates	**-**	16
	18,869	17,317

12. 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.

13. OTHER LONG-TERM PAYABLES

Other long-term payables include a maintenance provision for returning the aircraft to lessors under certain maintenance conditions, the long-term portion of derivative financial liabilities and other deferred liabilities.

14. TRADE AND OTHER RECEIVABLES

	30th June 2026	31st December 2025
	HK$M	HK$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	31st December 2025
	HK$M	HK$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

15. LIQUID FUNDS

	30th June 2026	31st December 2025
	HK$M	HK$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	31st December 2025
	HK$M	HK$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.

16. 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

17. 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 17(a))	**1,347,708**	**11**	283,447,261	2,282
Ordinary shares repurchase (note 17(b))	**(643,076,181)**	**–**	–	–
Capital reduction (note 17(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 17(b))	**643,076,181**	**–**	–	–
Cancellation of treasury shares (note 17(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).

17. SHARE CAPITAL (continued)

(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.

(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.

18. 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 the 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 30th 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.

19. RELATED PARTY TRANSACTIONS

Material transactions between the Group and associates and other related parties which were carried out in the normal course of business on commercial terms are summarised below:

	Six months ended 30th June 2026		Six months ended 30th June 2025	
	Associates	**Other related parties**	Associates	Other related parties
	HK$M	**HK$M**	HK$M	HK$M
Revenue	**85**	**15**	70	10
Aircraft maintenance	**(85)**	**(1,399)**	(489)	(1,254)
Other operating expenses	**(241)**	**(311)**	(208)	(321)
Dividend income	**277**	**63**	214	141
Fixed asset purchased	**26**	**170**	–	–
Finance income	**–**	**–**	10	–
Lease payments	**–**	**(27)**	–	(25)

Other related parties are companies under control of a company which has significant influence on the Group.

20. CAPITAL COMMITMENTS AND CONTINGENCIES

(a) Outstanding capital commitments authorised at the end of the period but not provided for in the Condensed Financial Statements:

	30th June 2026	31st December 2025
	HK$M	HK$M
Authorised and contracted for		
– aircraft and related equipment	**129,601**	127,700
– others	**717**	850
Authorised but not contracted for		
– aircraft and related equipment	**12,147**	8,480
– others	**916**	664
	143,381	137,694

(b) Performance and financial guarantees outstanding at the end of the period:

	30th June 2026	31st December 2025
	HK$M	HK$M
Associates	**182**	206

(c) The Company operates in many jurisdictions and in certain of these there are disputes with the tax authorities. Provisions have been made to cover the expected outcome of the disputes to the extent that outcomes are likely and reliable estimates can be made. However, the final outcomes are subject to uncertainties and resulting liabilities may exceed provisions.

(d) In providing services and meeting obligations to customers and regulatory authorities, discrepancies may arise in amounts payable. Provisions are recognised where reliable estimates can be made; however, certain assumptions are required in some cases, and actual settlement amounts may differ from these estimates.

(e) The Company remains the subject of antitrust proceedings in various jurisdictions. The proceedings are focused on issues relating to pricing and competition. The Company is represented by legal counsel in connection with these matters.

The proceedings and civil actions are ongoing and the outcomes are subject to uncertainties. The Company is not in a position to assess the full potential liabilities but makes provisions based on facts and circumstances in line with material accounting policy 20 in the 2025 Annual Report.

In 2010, the European Commission issued a decision that the Company and a number of other international cargo carriers had agreed on cargo surcharge levels in infringement of European competition law and imposed a fine of Euros 57.12 million on the Company. The General Court annulled the decision in December 2015, resulting in the refund of the fine of Euros 57.12 million in February 2016. The European Commission issued a new decision against the Company and the other airlines involved in the case in March 2017, imposing the same fine of Euros 57.12 million, which the Company paid in June 2017. The Company appealed the decision, and in March 2022 the General Court partially annulled it, leading to a refund of Euros 10 million. The Company subsequently filed an appeal to the European Court of Justice in June 2022 and which dismissed in February 2026.

The Company is a defendant in a number of civil claims in a number of countries including the Netherlands and Norway alleging violations of applicable competition laws arising from the Company's alleged conduct relating to its air cargo operations. The Company is represented by legal counsel and is defending these actions.

21. FINANCIAL RISK MANAGEMENT

(a) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values at 30th June 2026 and 31st December 2025 except for the following financial instruments, for which their carrying amounts and fair values are shown below:

	30th June 2026		31st December 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	HK$M	**HK$M**	HK$M	HK$M
Loans and other borrowings	**(38,291)**	**(39,228)**	(32,425)	(33,621)

The fair value of these financial instruments are measured using valuation techniques in which all significant inputs are based on observable market data. The most significant inputs are market interest rates.

(b) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at 30th June 2026 across three levels of the fair value hierarchy defined in HKFRS 13 "Fair Value Measurement" with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. Level 1 includes financial instruments with fair values measured using only unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes financial instruments with fair values measured using inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value has been determined based on quotes from market makers or discounted cash flow valuation techniques in which all significant inputs are based on observable market data. The most significant inputs are market interest rates, exchange rates and fuel price. Level 3 includes financial instruments with fair values measured using discounted cash flow valuation techniques in which any significant input is not based on observable market data.

	30th June 2026				31st December 2025			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	HK$M	**HK$M**	**HK$M**	**HK$M**	HK$M	HK$M	HK$M	HK$M
Recurring fair value measurement								
Assets								
Unlisted equity investments at fair value	**–**	**–**	**897**	**897**	–	–	895	895
Liquid funds								
– funds with investment managers	**–**	**3,912**	**–**	**3,912**	–	3,803	–	3,803
– other liquid investments	**–**	**3**	**–**	**3**	–	3	–	3
Derivative financial assets	**–**	**1,367**	**–**	**1,367**	–	247	–	247
	–	**5,282**	**897**	**6,179**	–	4,053	895	4,948
Liabilities								
Derivative financial liabilities	**–**	**(701)**	**–**	**(701)**	–	(1,876)	–	(1,876)
	–	**(701)**	**–**	**(701)**	–	(1,876)	–	(1,876)

There were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 fair value hierarchy classifications.

21. FINANCIAL RISK MANAGEMENT (continued)

The fair value of the unlisted equity investments in Level 3 is determined using a discounted cash flow valuation technique. The significant unobservable input used in the fair value measurement is the discount rate. At 30th June 2026 and 31st December 2025, information about fair value measurements using significant unobservable inputs (Level 3) is as follows:

Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value	Possible reasonable change	(Negative)/positive impact on fair value (HK$M)
Unlisted equity investments				
Discount rate	**2026: 8.0-12.0%** (2025: 8.0-12.0%)	The higher the discount rate, the lower the fair value	**2026: +/- 0.5%** (2025: +/- 0.5%)	**2026: (31)/34** (2025: (31)/34)

The movement during the six months ended 30th June 2026 and 31st December 2025 in the balance of Level 3 fair value measurements is as follows:

	2026 HK$M	2025 HK$M
Unlisted equity investments at fair value		
At 1st January	**895**	870
Addition	**2**	15
Fair value gains recognised in profit or loss during the period	**–**	10
At 30th June/31st December	**897**	895

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.

DIRECTORS

The board of Directors of the Company (the "Board") is set out below:

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
Wang Xiao Bin

BOARD CHANGES

1. With effect from the conclusion of the Annual General Meeting of the Company held on 13th May 2026:
   a. Martin Murray was appointed as a Non-Executive Director of the Company;
   b. Patrick Healy retired as an Executive Director of the Company and Chair of the Board;
   c. Guy Bradley was re-designated as an Executive Director of the Company and elected Chair of the Board [Note];
   d. Sun Yuquan retired as a Non-Executive Director of the Company;
   e. Wang Mingyuan resigned as a Non-Executive Director of the Company; and
   f. Qu Guangji was appointed as a Non-Executive Director of the Company.
2. Martin Murray was appointed as a member of the Audit Committee and the Board Risk Committee of the Company with effect from 5th August 2026.
3. Rebecca Sharpe will resign as an Executive Director and the Chief Financial Officer of the Company with effect from 1st October 2026.
4. Gavin March will be appointed as an Executive Director and the Chief Financial Officer of the Company with effect from 1st October 2026.

Note: The annual salary together with various allowances of Guy Bradley as an Executive Director of the Company amount to HK$1,380,962. He is eligible to receive performance related discretionary bonuses and is also entitled to other benefits in kind including housing benefit and to participate in provident funds.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company, as notified to the Company, subsequent to the date of the 2025 annual report or the date of the relevant announcements on appointment of Directors are set out as follows:

1. Lily Cheng joined as a Board Member of The Government Technology Agency of Singapore (GovTech Singapore) with effect from 1st May 2026.
2. Martin Murray ceased to be a Director of Swire Properties Limited with effect from the conclusion of its Annual General Meeting held on 12th May 2026.
3. Patrick Healy resigned as a Director of John Swire & Sons (H.K.) Limited and a Director and Chairman of the Board of Swire Coca-Cola Limited with effect from 13th May 2026.
4. Guy Bradley was appointed as a Director and elected Chairman of the Board of Swire Coca-Cola Limited with effect from 13th May 2026.
5. Wang Xiao Bin ceased to be an Independent Non-Executive Director of Hang Seng Bank Limited with effect from 20th May 2026. She was appointed as an Independent Non-Executive Director of Hang Lung Properties Limited with effect from 11th June 2026, and re-designated as Deputy Chairman of the Board of Transport International Holdings Limited with effect from 1st July 2026.
6. Ronald Lam was appointed as a Non-Executive Director of Air China with effect from the conclusion of its Annual Shareholders' Meeting held on 28th May 2026 and a member of The International Air Transport Association's Board of Directors with effect from 7th June 2026.
7. Qu Guangji ceased to be a Non-Executive Director of TravelSky Technology Limited with effect from the conclusion of its Annual General Meeting held on 26th June 2026.

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF DIRECTORS AND CHIEF EXECUTIVES

As at 30th June 2026, no Director or chief executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Securities Code.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF SUBSTANTIAL SHAREHOLDERS

As at 30th June 2026, the following persons had interests or short positions in the shares or underlying shares of the Company which were recorded in the register maintained under Section 336 of the SFO:

Name of shareholders	**Capacity**	**Number of shares or underlying shares** Long position(L) Short position(S)	**Total** Long position(L) Short position(S) Lending pool (P)	**Percentage of voting shares (%)**[h]
Air China	Interest in controlled corporation	1,822,436,334(L)	4,566,130,423(L)[a]	75.09
	A concert party to an agreement to buy shares described in Section 317(1)(a) of the SFO	2,743,694,089(L)		
China National Aviation Holding Corporation Limited ("CNAHC")	Interest in controlled corporation	4,566,130,423(L)	4,566,130,423(L)[b]	75.09
Swire Pacific	Beneficial owner	2,743,694,089(L) 356,600,910(S)	4,566,130,423(L)[a][f] 356,600,910(S)[d][e]	75.09 5.86
	A concert party to an agreement to buy shares described in Section 317(1)(a) of the SFO	1,822,436,334(L)		
John Swire & Sons Limited ("Swire")	Interest in controlled corporation	4,566,130,423(L) 356,600,910(S)	4,566,130,423(L)[c] 356,600,910(S)[d][e]	75.09 5.86
HSBC Holdings plc	Interest in controlled corporation	378,544,141(L) 203,236,977(S)	381,428,574(L)[d][g] 204,745,226(S)[d][g]	6.27 3.36
	Custodian	2,884,433(L) 1,508,249(S)		
JPMorgan Chase & Co.	Beneficial owner	174,260,951(L) 176,826,446(S)	314,873,466(L)[d][g] 189,991,446(S)[d][g] 28,155,348(P)[g]	5.17 3.12 0.46
	Investment manager	89,505,926(L) 13,165,000(S)		
	Person having a security interest in shares	22,951,241(L)		
	Approved lending agent	28,155,348(L)		

Note: As at 30th June 2026:

(a) Under Section 317 of the SFO, each of Air China, China National Aviation Company Limited ("CNAC") and Swire Pacific, being a party to the shareholders' agreement in relation to the Company dated 8th June 2006, was deemed to be interested in a total of 4,566,130,423 shares of the Company, comprising:

(i) 2,743,694,089 ordinary shares directly held by Swire Pacific; and

(ii) 1,822,436,334 ordinary shares indirectly held by Air China and its subsidiaries CNAC, Most Known Investments Limited, Super Supreme Company Limited and Total Transform Group Limited, comprising the following ordinary shares held by their wholly owned subsidiaries: 472,248,545 ordinary shares held by Angel Paradise Ltd., 351,574,615 ordinary shares held by Custain Limited, 205,974,626 ordinary shares held by Easerich Investments Inc., 310,870,873 ordinary shares held by Grand Link Investments Holdings Ltd., 339,343,616 ordinary shares held by Motive Link Holdings Inc. and 142,424,059 ordinary shares held by Perfect Match Assets Holdings Ltd.

(b) CNAHC was deemed to be interested in a total of 4,566,130,423 ordinary shares of the Company, in which its subsidiary Air China was deemed interested.

(c) Swire and its wholly owned subsidiary John Swire & Sons (H.K.) Limited were deemed to be interested in a total of 4,566,130,423 ordinary shares of the Company by virtue of the Swire group being interested in 64.45% of the equity of Swire Pacific and controlling 70.97% of the voting rights attached to ordinary shares in Swire Pacific.

(d) The following interests and short positions were related to derivative interests held by the shareholders:

	Listed derivatives			**Unlisted derivatives**		
Name of shareholders	**Physically settled**	**Cash settled**	**Convertible instruments**	**Physically settled**	**Cash settled**	**Convertible instruments**
Swire Pacific						
– Long position	–	–	–	–	–	–
– Short position	–	–	–	–	–	356,600,910
Swire						
– Long position	–	–	–	–	–	–
– Short position	–	–	–	–	–	356,600,910
HSBC Holdings plc						
– Long position	–	–	8,573,596	818,600	9,136,000	–
– Short position	–	–	–	8,425,153	3,361,000	–
JPMorgan Chase & Co.						
– Long position	–	457,000	75,116,184	2,004,862	32,838,355	–
– Short position	1,500,000	544,000	15,022,772	6,187,764	56,467,910	–

(e) Swire Pacific Finance Limited, a wholly owned subsidiary of Swire Pacific, issued HK$4,700,000,000 exchangeable bonds (the "Exchangeable Bonds") pursuant to a subscription agreement dated 9th June 2026. Based on the initial exchange price of HK$13.18 per share (the "Exchange Price") and assuming full exchange of the Exchangeable Bonds at the Exchange Price, the Exchangeable Bonds would be exchanged into 356,600,910 shares of the Company. Swire and its wholly owned subsidiary John Swire & Sons (H.K.) Limited were deemed to be interested in the 356,600,910 shares by virtue of the Swire group being interested in 64.45% of the equity of Swire Pacific and controlling 70.97% of the voting rights attached to ordinary shares in Swire Pacific.

(f) Among which up to 354,984,894 shares of the Company are available for lending to The Hongkong and Shanghai Banking Corporation Limited ("HSBC") pursuant to a securities lending agreement dated 9th June 2026 entered into between Swire Pacific as lender and HSBC as borrower.

(g) The interests were disclosed based on the disclosure of interest filings respectively made by HSBC Holdings plc on 15th June 2026 and JPMorgan Chase & Co. on 29th June 2026.

(h) The percentages of voting shares in this table were computed based on the number of issued voting shares of the Company as at 30th June 2026, being 6,081,128,038 shares.

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.

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