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CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

**Update on First-Half 2023 Financial Performance and
Plan to Redeem Preference Shares**

This announcement contains information on the unaudited consolidated financial results for the six-month period ended 30th June 2023 of Cathay Pacific Airways Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) and the Company’s plan to redeem the Preference Shares.

The information in this announcement may be price sensitive. This announcement is issued by the Company pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance. The information in this announcement has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors and may be subject to adjustments.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is issued by the Company pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance.

Reference is made to (a) the announcement of the Company dated 9th June 2020 (the “**2020 Announcement**”) in relation to, amongst others, the Preference Shares, (b) the Annual Report 2022 of the Company published on 3rd April 2023 (the “**2022 Annual Report**”) and (c) the announcement of the Company dated 6th June 2023 in relation to the payment of Preference Shares dividends (the “**2023 Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the 2020 Announcement.

Update on First-Half 2023 Financial Performance

Based on a preliminary review of the unaudited consolidated management accounts of the Group for the six-month period ended 30th June 2023 (“**First-Half 2023**”) and other information currently available to the board of directors of the Company (the “**Board**”), the Group is expected to record a consolidated profit attributable to shareholders of approximately HK\$4.0 to HK\$4.5 billion. This compares to the attributable loss to shareholders of HK\$4,999 million for the six-month period ended 30th June 2022 (“**First-Half 2022**”).

The First-Half 2023 results for the Group’s airlines and subsidiaries were a significant improvement over the First-Half 2022 results in light of the removal of quarantine requirements in late-September 2022 and the progressive increase in the Group’s capacity since that time. Results from the Group’s associates, the majority of which are recognised three months in arrears (and which in some cases have already been announced by the associates), included losses.

As disclosed in the 2022 Annual Report, on 16th January 2023, the Group’s interest in Air China Limited (“**Air China**”) was diluted from 18.13% to 16.26% (the “**Deemed Disposal**”) as a result of Air China’s issuance of new A shares to third party investors. Therefore, the Group is expected to record a one-off non-cash gain from the Deemed Disposal of approximately HK\$1.9 billion in its First-Half 2023 results.

In relation to the proceeds of HK\$31.1 billion raised from the issue of Preference Shares and Rights Issue in 2020, the Company disclosed in the 2022 Annual Report that HK\$9.6 billion of such proceeds remained unused as at 31st December 2022. All of the remaining proceeds have been used for general corporate purposes in the First-Half 2023.

As at the date of this announcement, the Company is still in the process of finalising the Group’s First-Half 2023 results. The information in this announcement has been prepared on the basis of internal management records and other information currently available to the Board, which have not been reviewed by external auditors. Shareholders and potential investors are advised to refer to the interim results announcement of the Company which is expected to be published in August 2023.

Plan to Redeem Preference Shares

Following the 2023 Announcement, the Company paid the deferred dividends of HK\$1,524.1 million on the Preference Shares to Aviation 2020 Limited on 30th June 2023, bringing its dividend payment on the Preference Shares up to date. The Company intends to pay all future dividends on the Preference Shares as they fall due.

Further, subject to market conditions and the Group’s business operations at the relevant time, the Company plans to redeem all the Preference Shares over the next 12 months.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

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

Non-Executive Directors: Ma Chongxian (Deputy Chair), Guy Bradley, Gordon McCallum, Sun Yuquan, Merlin Swire, Xiao Feng, Zhang Zhuo Ping;

Independent Non-Executive Directors: Bernard Chan, John Harrison, Christoph Mueller and Andrew Tung.

By Order of the Board

CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

Joanna Lai

Company Secretary

Hong Kong, 14th July 2023