

Cathay Pacific Airways Limited – Abridged Financial Statements

To provide shareholders with information on the results and financial position of the Group's significant listed associated company, Cathay Pacific Airways Limited, the following is a summary of its audited consolidated statement of profit or loss and consolidated statement of other comprehensive income for the year ended 31st December 2018 and consolidated statement of financial position at 31st December 2018, modified to conform to the Group's financial statements presentation.

Consolidated Statement of Profit or Loss

For the year ended 31st December 2018

	Note	2018 HK\$M	2017 HK\$M
Revenue		111,060	97,284
Operating expenses		(107,465)	(99,563)
Operating loss before non-recurring items		3,595	(2,279)
Gain on disposal of long-term investment		–	586
Gain on deemed partial disposal of an associated company	1	–	244
Operating profit/(loss)		3,595	(1,449)
Finance charges		(2,457)	(2,223)
Finance income		343	462
Net finance charges		(2,114)	(1,761)
Share of profits less losses of associated companies		1,762	2,630
Profit/(loss) before taxation		3,243	(580)
Taxation		(466)	(308)
Profit/(loss) for the year		2,777	(888)
Profit/(loss) for the year attributable to:			
– Cathay Pacific's shareholders		2,345	(1,259)
– Non-controlling interests		432	371
		2,777	(888)
		HK¢	HK¢
Earnings/(loss) per share attributable to Cathay Pacific's shareholders (basic and diluted)		59.6	(32.0)

Note 1: Gain on deemed partial disposal of an associated company

On 10th March 2017, Air China Limited (Air China) completed the issue of 1,440,064,181 A shares. As a consequence, Cathay Pacific's shareholding in Air China was diluted from 20.13% to 18.13%.

A gain on this deemed partial disposal of HK\$244 million was recorded, principally reflecting the change in the Cathay Pacific group's share of net assets in Air China immediately before and after the share issue.

Consolidated Statement of Other Comprehensive Income

For the year ended 31st December 2018

	2018 HK\$M	2017 HK\$M
Profit/(loss) for the year	2,777	(888)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Defined benefit plans	(270)	702
Items that can be reclassified subsequently to profit or loss		
Cash flow hedges	1,586	4,352
Net fair value changes on available-for-sale assets	–	(403)
Share of other comprehensive income of associated companies	628	470
Net translation differences on foreign operations	(1,495)	1,874
Other comprehensive income for the year, net of tax	449	6,995
Total comprehensive income for the year	3,226	6,107
Total comprehensive income attributable to:		
Cathay Pacific's shareholders	2,794	5,736
Non-controlling interests	432	371
	3,226	6,107

Consolidated Statement of Financial Position

At 31st December 2018

	2018 HK\$M	2017 HK\$M
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	117,124	111,182
Intangible assets	11,174	11,221
Investments in associated companies	27,570	28,144
Other long-term receivables and investments	4,015	4,068
Deferred tax assets	793	928
	160,676	155,543
Current assets		
Stock	1,828	1,515
Trade, other receivables and other assets	12,475	12,226
Liquid funds	15,315	19,094
	29,618	32,835
Current liabilities		
Current portion of long-term liabilities	13,694	8,888
Trade and other payables	19,408	17,057
Unearned transportation revenue	14,030	13,961
Bank overdrafts – unsecured	19	–
Taxation	1,193	1,372
Dividend payable to non-controlling interests	1	–
	48,345	41,278
Net current liabilities	(18,727)	(8,443)
Total assets less current liabilities	141,949	147,100
Non-current liabilities		
Long-term liabilities	60,183	69,506
Other long-term payables	4,649	3,502
Deferred taxation	13,178	12,820
	78,010	85,828
NET ASSETS	63,939	61,272
EQUITY		
Share capital	17,106	17,106
Reserves	46,830	43,995
Equity attributable to Cathay Pacific's shareholders	63,936	61,101
Non-controlling interests	3	171
TOTAL EQUITY	63,939	61,272