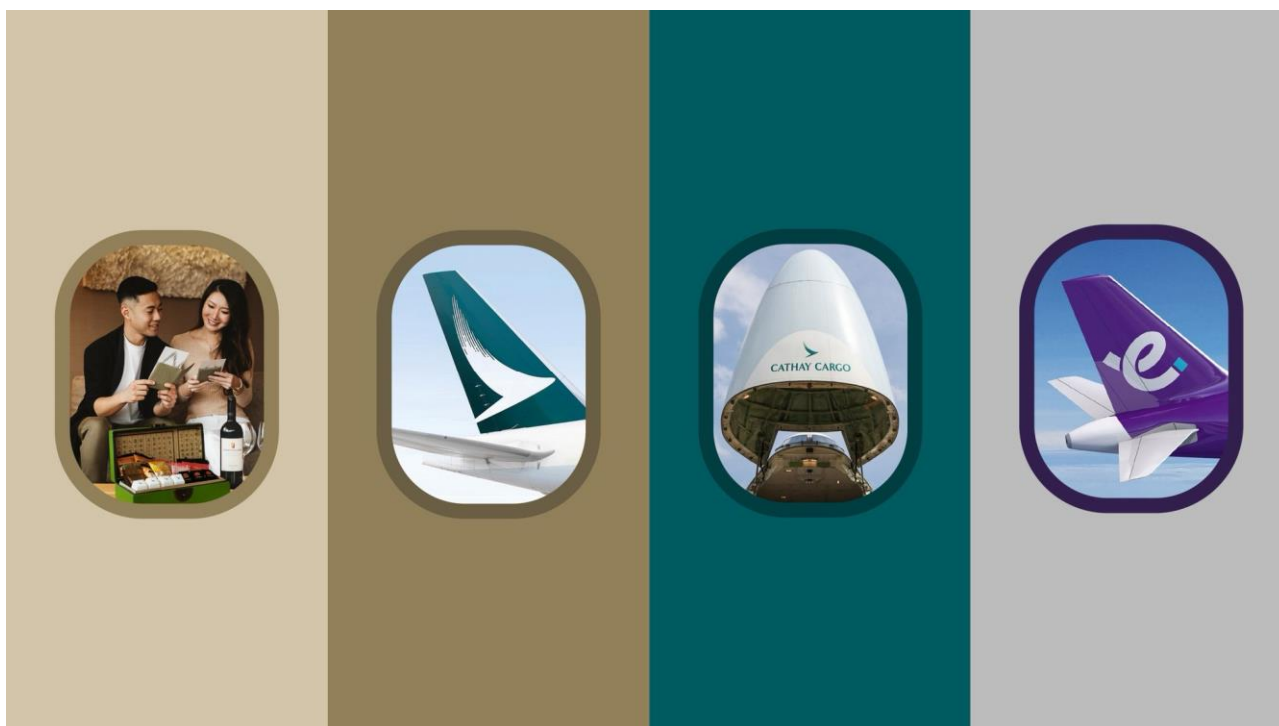


The Cathay Group announces solid 2025 Interim Results and orders more long-haul aircraft

- HK\$3.7 billion profit in the first half of 2025, with first interim dividend of HK20 cents per ordinary share
- 14 new Boeing 777-9 aircraft to support the Hong Kong international aviation hub
- The Group's total investments increase to well over HK\$100 billion



The Cathay Group (Cathay) today announced its 2025 Interim Results together with the exercise of purchase rights for an additional 14 Boeing 777-9 aircraft, bringing Cathay's total commitment to 35 such aircraft.



Cathay Group Chair Patrick Healy said: "Over the past few years, we have embarked on an all-encompassing fleet renewal and expansion plan, which includes orders for over 100 new narrowbody, regional widebody, long-haul widebody and large freighter aircraft. This new order brings our total investment to well over HK\$100 billion, which also includes new cabin products, lounges and digital innovation, further strengthening the Hong Kong international aviation hub and elevating the customer experience to new heights.

"As a Group, our passenger airlines, Cathay Pacific and HK Express, have launched or announced 19 new destinations so far in 2025, with more still to come. We now fly to more than 100 passenger destinations globally, as we continue to enhance Hong Kong's connectivity with the world.

"We are also delighted to have been recognised in multiple renowned industry rankings and awards. Cathay Pacific was named one of the world's top three airlines, as well as being recognised for having the world's best Economy class and the world's best inflight entertainment according to Skytrax. Meanwhile, Cathay Cargo was again named Cargo Operator of the Year by Air Transport World, and HK Express was named one of the top five low-cost airlines in the world by Airline Ratings. These achievements would not have been possible without the steadfast support of our customers and the dedication of our people, for which we are extremely grateful."

A solid first-half result

As a Group, Cathay reported an attributable profit of HK\$3.7 billion in the first half of 2025, a similar level to the first half of 2024.

The Group's first-half result was attributable to increased passenger capacity and volumes albeit at lower yields, a resilient cargo business and lower fuel costs.

Meanwhile, the results from associates, the majority of which are recognised three months in arrears, reflected an attributable loss of HK\$181 million, compared with a loss of HK\$342 million in the first half of 2024.

The Group's first-half result has allowed it to announce a first interim dividend payment to ordinary shareholders of HK20 cents per ordinary share, totalling HK\$1.3 billion. This is the same amount per ordinary share as the first interim dividend paid in 2024.



Elevating the customer experience

Cathay is rolling out more customer experience enhancements over the coming years, including new cabin products, flagship lounges, dining experiences, and more.

Cathay Pacific's new Aria Suite Business class cabins and inflight entertainment system have received various recognitions in prestigious design industry awards. Building on these achievements, the airline will be introducing brand new cabins and a flat-bed Business class product on its existing Airbus A330s in 2026, followed by a world-leading First class experience onboard its Boeing 777-9s when the first aircraft is expected to arrive in 2027.



Credit: Boeing

Additionally, Cathay Pacific has been rolling out refinements to the design of its current regional Business class on selected A330-300 and 777-300 aircraft with an updated look and features, which are expected to be completed this year. Furthermore, starting this month Cathay Pacific is one of the very few airlines in the world to offer both 100% seatback inflight entertainment and 100% inflight connectivity across its entire fleet.

On the ground, Cathay Pacific has commenced an extensive redevelopment plan for its lounges. Earlier this year, The Bridge was opened at Hong Kong International Airport following a full redesign. The redesigned Beijing flagship lounge is scheduled to open this month, while a brand-new flagship lounge will be launched in New York next year.

Meanwhile, Cathay Cargo is continuing to strengthen its special solutions, digital capabilities and sustainability leadership to position itself for future growth.

Please click [here](#) to read the Cathay Group's 2025 Interim Results.



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CATHAY PACIFIC AIRWAYS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Announcement

2025 Interim Results

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

Financial and Operational Highlights

Group Financial Statistics		2025	2024	Change
		Six months ended 30th June		
Results				
Revenue	HK\$ million	54,309	49,604	+9.5%
Profit attributable to the shareholders of the Cathay Group	HK\$ million	3,651	3,613	+1.1%
Earnings per ordinary share				
- basic	HK cents	56.7	52.4	+8.2%
- diluted	HK cents	54.8	47.0	+16.6%
Dividend per ordinary share	HK cents	20	20	
Profit margin	%	6.7	7.3	-0.6%pt
		30th June	31st December	
Financial position				
Funds attributable to the shareholders of the Cathay Group	HK\$ million	51,654	52,500	-1.6%
Net borrowings ^(a)	HK\$ million	56,342	57,941	-2.8%
Available unrestricted liquidity	HK\$ million	21,504	19,073	+12.7%
Ordinary shareholders' funds per ordinary share	HK\$	8.0	8.2	-2.4%
Net debt/equity ratio ^(a)	Times	1.09	1.10	-0.01 times
Operating Statistics		2025	2024	Change
		Six months ended 30th June		
The Company				
Available tonne kilometres (ATK)	Million	13,699	11,822	+15.9%
Revenue tonne kilometres (RTK)	Million	9,701	8,214	+18.1%
Cost per ATK (with fuel) ^(b)	HK\$	3.28	3.42	-4.1%
Fuel consumption per million ATK	Barrels	1,321	1,286	+2.7%
Fuel consumption per million RTK	Barrels	1,864	1,851	+0.7%
Cost per ATK (without fuel) ^(b)	HK\$	2.30	2.32	-0.9%
ATK per HK\$'000 staff cost	Unit	1,852	1,903	-2.7%
ATK per employee	'000	552	573	-3.7%
Aircraft utilisation	Hours per day	10.8	9.0	+20.0%
Average age of fleet	Years	12.3	11.5	+0.8year
Cathay Pacific				
Available seat kilometres (ASK)	Million	66,792	52,881	+26.3%
Revenue passenger kilometres (RPK)	Million	56,651	43,583	+30.0%
Passenger revenue per ASK	HK cents	51.2	56.8	-9.9%
Revenue passengers carried	'000	13,627	10,660	+27.8%
Passenger load factor	%	84.8	82.4	+2.4%pt
Passenger yield	HK cents	60.4	68.9	-12.3%
On-time performance (passenger)	%	79.9	75.3	+4.6%pt
Cathay Cargo				
Available freight tonne kilometres (AFTK)	Million	7,336	6,788	+8.1%
Revenue freight tonne kilometres (RFTK)	Million	4,302	4,063	+5.9%
Cargo revenue per AFTK	HK\$	1.52	1.61	-5.6%
Cargo carried	'000 tonnes	801	719	+11.4%
Cargo load factor	%	58.6	59.9	-1.3%pt
Cargo yield	HK\$	2.59	2.68	-3.4%
HK Express				
Available seat kilometres (ASK)	Million	8,810	6,370	+38.3%
Revenue passenger kilometres (RPK)	Million	6,947	5,415	+28.3%
Passenger revenue per ASK	HK cents	34.1	46.9	-27.3%
Revenue passengers carried	'000	3,791	2,839	+33.5%
Passenger load factor	%	78.9	85.0	-6.1%pt
Passenger yield	HK cents	43.2	55.1	-21.6%
On-time performance	%	87.1	78.5	+8.6%pt

(a) Adjusted net borrowings and the net debt/equity ratio excluding leases without asset transfer components are HK\$44,820 million (2024: HK\$47,097 million) and 0.87 (2024: 0.90) respectively.

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

Fleet Profile^(a)

Aircraft type	Number at 30th June 2025			Total	Average age	Orders ^{(c)(h)}			Total	Expiry of leases without asset transfer ^(b)					
	Leased ^(b)					'25	'26	'27 and beyond		'25	'26	'27	'28	'29	'30 and beyond
	Owned	With asset transfer	Without asset transfer												
The Company (Passenger aircraft):															
A321/A320-200neo	5	6	5	16	2.6	3 ^(d)	11 ^(d)	14							5
A330-300	39		4	43	16.8					2	1		1		
A330-900							30	30							
A350-900	20	8	2	30	7.2								2		
A350-1000	11	7		18	5.6										
777-300	17			17	23.2										
777-300ER	26		9	35	12.7						2	1			6
777-9							21	21							
The Company (Freighter):															
A350F							6	6							
747-400ERF	6			6	16.5										
747-8F	12	2		14	12.4										
Total of the Company	136	23	20	179	12.3	-	3	68	71	2	3	1	3	-	11
HK Express:															
A320-200	3 ^(e)		3	6	17.3								2	1	
A320-200neo			10	10	6.3	2 ^{(d)(f)}	6 ^{(d)(f)}	8					2	2	6
A321-200	2 ^(e)		11	13	9.9					1	2				8
A321-200neo	5 ^(e)	7 ^(e)		12	1.2	4	3 ^{(d)(f)}	7 ^{(d)(f)}	14						
Total	10	7	24	41	7.6	4	5	13	22	1	2	-	4	3	14
Air Hong Kong ^(g) :															
A330-243F			4	4	11.4						2				2
A330-300P2F			10	10	13.7						3		4	3	
Total	-	-	14	14	13.1	-	-	-	-	-	5	-	4	3	2
Grand total	146	30	58	234	11.5	4	8	81	93	3	10	1	11	6	27

(a) The table does not reflect aircraft movements after 30th June 2025.

(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 2025, 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 aircraft are sub-leased to HK Express from the Company.

(f) Final split between Airbus A320-200neo and A321-200neo is subject to adjustment in accordance with future operational requirements.

(g) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.

(h) The Group also has the right to acquire 103 additional aircraft.

Chair's Statement

I am pleased with our solid financial performance and other achievements in the first half of 2025, especially within the context of what has been an uncertain business environment. Over the past few years, we have built a strong foundation that has made us more resilient than ever before. This has enabled us to navigate through the uncertainty, and continue expanding our network for Hong Kong and elevating the experience for our customers.

As a Group, our passenger airlines Cathay Pacific and HK Express have launched or announced 19 new destinations so far in 2025, with more to come. We now fly to more than 100 passenger destinations globally, a meaningful milestone that exemplifies the strong connectivity our home hub has with the world. All our available aircraft are now fully resourced and flying. The record-high levels of recruitment seen in recent years are now behind us, and our recruitment and training levels are in a steady state in line with our growth plans.

I am also proud to share that our efforts have been recognised in renowned industry rankings and awards this year. Notably, Cathay Pacific has been named one of the Top 3 world's best airlines, along with having the world's best Economy class and inflight entertainment according to Skytrax. Meanwhile, Cathay Cargo was named Cargo Operator of the Year by Air Transport World (ATW), and HK Express has been named one of the Top 5 world's best low-cost airlines by Airline Ratings.

Performance of the Cathay Group

The Cathay Group, including airlines, subsidiaries and associates, reported an attributable profit of HK\$3,651 million in the first half of 2025 (2024 first half: profit of HK\$3,613 million). The earnings per ordinary share in the first half of 2025 were HK56.7 cents (2024 first half: earnings per ordinary share of HK52.4 cents).

Our airlines and subsidiaries, excluding exceptional items, reported an attributable profit of HK\$3,832 million in the first half of 2025 (2024 first half: profit of HK\$3,846 million). The results from associates, the majority of which are recognised three months in arrears, reflected an attributable loss of HK\$181 million (2024 first half: loss of HK\$342 million).

Our first-half result was driven by higher passenger volumes albeit with lower yields, a consistent cargo performance, and lower fuel price compared with the same period in 2024. This result has allowed us to announce a first interim dividend payment to ordinary shareholders of HK20 cents per ordinary share, totalling HK\$1,288 million. This will be paid on 9th October 2025 to ordinary shareholders registered at the close of business on the record date, 5th September 2025. Ordinary shares of the Company will be traded ex-dividend as from 3rd September 2025.

In early January 2025, we repurchased approximately 68%, or HK\$4,558 million of the HK\$6,722 million 2.75% guaranteed convertible bonds due 2026, which were issued in February 2021. The outstanding principal amount of the bonds is HK\$2,164 million. The buyback reflects our confidence in our long-term business prospects.

As at 30th June 2025, our available unrestricted liquidity balance was HK\$21,504 million.

Performance of our four lines of business

In the first half of 2025, Cathay Pacific's passenger revenue increased by 14.0% to HK\$34,208 million compared with the same period in 2024. Available seat kilometres (ASK) increased by 26.3%, while traffic, measured in revenue passenger kilometres (RPK) increased by 30.0%. Cathay Pacific carried a total of 13.6 million passengers in the first half of 2025, an average of 75,300 per day, which was 27.8% more than the same period in 2024. Load factor was 84.8% compared with 82.4% in the first half of 2024, and yield decreased by 12.3% to HK60.4 cents as more capacity was added to the market.

Cathay Cargo's revenue in the first half of 2025 increased by 2.2% to HK\$11,141 million. Available freight tonne kilometres (AFTK) increased by 8.1%. Traffic, measured in revenue freight tonne kilometres (RFTK), increased by 5.9%. Total tonnage increased by 11.4% to 801 thousand tonnes. Load factor was 58.6% compared with 59.9% in the first half of 2024, and yield decreased by 3.4% to HK\$2.59. Despite the uncertainties caused by tariffs and changes to the de minimis exemption, our cargo business demonstrated resilience. We have been able to leverage our global network and redeploy capacity to take advantage of areas where the markets are still strong, helping us to continue contributing to the cargo tonnage throughput at Hong Kong International Airport.

Our Lifestyle business continues to grow, as does our active Cathay membership base. We also continue to develop other areas of the business such as payment, insurance, and lifestyle partnerships, as well as our own Cathay Holidays and Cathay Shop.

With the increase in flying, overall costs for the Cathay Group before subsidiaries and associates increased compared with the first half of 2024. Non-fuel costs for the first half of 2025 increased by 14.9% to HK\$31,552 million compared with the same period in 2024. Net fuel costs increased by HK\$452 million (or 3.5%) compared with the first half of 2024.

Our wholly owned low-cost carrier HK Express's passenger revenue was HK\$3,004 million, a similar level to the first half of 2024. Available seat kilometres (ASK) increased by 38.3%, while traffic, measured in revenue passenger kilometres (RPK) increased by 28.3%. HK Express carried a total of 3.8 million passengers in the first half of 2025, an average of 20,900 per day, which was 33.5% more than the same period in 2024. Load factor was 78.9% compared with 85.0% in the first half of 2024, and yield decreased by 21.6% to HK43.2 cents.

HK Express reported a loss before net finance charges and taxation of HK\$524 million for the first half of 2025 (2024 first half: profit before net finance charges and taxation of HK\$66 million). This was driven by temporary changes in customer preferences away from traditionally strong destinations such as Japan due to earthquake rumours, in addition to new routes being launched that will take time to mature.

Performance of other subsidiaries and associates

Air Hong Kong reported a profit before net finance charges and taxation of HK\$474 million for the first half of 2025 (2024 first half: profit before net finance charges and taxation of HK\$488 million). Its results have been consistently solid and stable.

Results from our airline services subsidiaries improved in the first half of 2025 compared with the same period in 2024 as more capacity was added to the market.

Results from associates, recognised three months in arrears, improved compared with the first half of 2024. The improved results were mainly attributable to enhancements in Air China's yield management and cost control and Air China Cargo's business expansion.

Outlook

We remain fully confident in and committed to the Hong Kong international aviation hub, demonstrated by our investments totalling well over HK\$100 billion in our fleet, cabin and lounge products, and digital innovation.

Looking ahead, travel demand for Cathay Pacific remains robust and we will continue to add more flights and destinations for our customers, in addition to introducing more customer experience enhancements.

Regarding Cathay Cargo, uncertainty in the market environment remains and we will stay vigilant and agile, while continuing to serve demand where it arises. In parallel, we will continue to strengthen our special solutions, digital capabilities and sustainability leadership to position us for future growth.

HK Express continues to face short-term challenges. We have seen a pickup in bookings to Japan, though they are yet to return to normal levels. The airline has expanded quickly to exciting new destinations. These routes will take time to mature, however our customers have responded well to them initially. We are taking a long-term view and a path to profitability can be expected for the low-cost carrier as it continues to grow, increase its efficiencies, and further strengthen its fundamentals.

Appreciation

I would like to express my sincere gratitude to all of our customers and our people at Cathay. The support of our customers and the commitment to excellence of our global teams has been instrumental as we continue to take Cathay to new heights and strengthen Hong Kong's status as a leading international aviation hub.

Patrick Healy

Chair

Hong Kong, 6th August 2025

Review of Operations

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

	Capacity ASK/AFTK (million)*			Load factor (%)			Yield
	2025	2024	Change	2025	2024	Change	Change
Cathay Pacific passenger services							
Americas	19,888	14,671	+35.6%	88.4	89.3	-0.9%pt	-17.5%
Southeast Asia and Oceania	17,492	14,466	+20.9%	82.5	77.2	+5.3%pt	-10.7%
North Asia	12,479	10,609	+17.6%	78.5	75.3	+3.2%pt	-14.3%
Europe	12,055	9,682	+24.5%	88.5	88.5	-	-1.5%
South Asia, Middle East and Africa	4,878	3,453	+41.3%	85.7	80.0	+5.7%pt	-9.0%
Overall	66,792	52,881	+26.3%	84.8	82.4	+2.4%pt	-12.3%
Cathay Cargo	7,336	6,788	+8.1%	58.6	59.9	-1.3%pt	-3.4%

* Capacity is measured in available seat kilometres (ASK) for passenger services and available freight tonne kilometres (AFTK) for cargo services.

Cathay Pacific

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

- We continued to add more flights, capacity and variety of intermodal transport to provide more options for our customers travelling to and from Hong Kong and the wider Greater Bay Area. In addition to our codeshare ferry services, we have introduced codeshare bonded shuttle buses operating to and from the SkyPier Terminal at HKIA via the Hong Kong-Zhuhai-Macao Bridge.
- The Canton Fair in the second half of April drew strong demand into the Greater Bay Area, with many travellers taking advantage of our intermodal Pazhou Ferry codeshare service. We continued to offer on-site upstream check-in services at the exhibition venue, providing a seamless travel experience for customers travelling to and from the Greater Bay Area.
- We saw a boost in leisure travel demand from Hong Kong and the rest of the Greater Bay Area in January and April, stimulated by various holiday periods around the region.
- Demand for our premium cabins was strong during February and March, driven by various exhibitions, trade shows and mega-events held in Hong Kong and the wider Greater Bay Area.

Americas

- In April, we launched direct flights to Dallas Fort Worth International Airport for the first time, further expanding our network in the important North America market. These flights have been well received by our customers and will increase from four flights per week to daily in October 2025 in response to strong demand.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered eight destinations in the Americas.

Southeast Asia and Oceania

- Local holidays across Southeast Asia, such as Lebaran, Songkran and Vesak, drove strong travel demand, with popular destinations extending beyond Hong Kong to various Northeast Asian markets.
- In May, we announced that we would be returning to Adelaide in November 2025 with a three-times-weekly winter seasonal service.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 20 destinations in Southeast Asia and Oceania.

North Asia

- We continued to enhance connectivity between Hong Kong and the Chinese Mainland with more flights and destinations. In April, we launched passenger services to Urumqi, connecting our home city with an important Belt and Road hub in Northwestern China. For the summer season, we increased our Chinese Mainland services to provide our customers with greater choice and connectivity. This included increasing to seven daily return flights to Beijing, eight daily return flights to Shanghai (Pudong), four daily return flights to Hangzhou and double-daily return flights to Nanjing.
- While demand for travel to Japan was strong for much of the first half of 2025, it slowed down substantially in June due to online earthquake rumours.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 27 destinations in North Asia.

Europe

- Student traffic from the United Kingdom was strong ahead of Easter as students returned home for the holiday period.
- We continued to strengthen our European network with the addition of new routes. In June, Cathay Pacific returned to Rome with a summer seasonal service, and launched direct passenger flights to Munich for the first time.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 12 destinations in Europe.

South Asia, the Middle East and Africa

- In March, we resumed our non-stop service between Hong Kong and Hyderabad, further enhancing our India network.
- As at 30th June 2025, Cathay Pacific's scheduled passenger services covered 11 destinations in South Asia, the Middle East and Africa.

Cathay Cargo

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

- As the largest cargo operator at HKIA, Cathay Cargo was proud to be a key contributor to it being named the world's busiest cargo airport for the 14th time since 2010.
- We offered up to 100 return freighter flights a week and more than 1,600 return passenger flights a week with cargo capability to over 100 destinations worldwide from our Hong Kong hub.
- Cargo demand from Hong Kong and the rest of the GBA into the United States was negatively impacted by the increased tariffs imposed in early April and the removal of the de minimis exemption in early May, although there was some recovery following the temporary reduction in tariffs from mid-May. While e-commerce demand declined during this period, we were able to offset the shortfall by capturing additional cargo volumes to optimise flight capacity.

Americas

- As at 30th June 2025, we were operating freighters serving 12 destinations in the Americas, in addition to utilising belly space on Cathay Pacific's passenger flights.
- We increased transpacific freighter frequencies in March to cater for the quarter-end air cargo peak season.
- Our Cathay Secure and Cathay Expert specialist solutions saw healthy demand for shipments to destinations in Asia from the Americas.

Southeast Asia and Oceania

- As at 30th June 2025, we were operating freighters serving nine destinations in Southeast Asia and Oceania, in addition to utilising belly space on the Cathay Group's passenger flights.
- We introduced an additional weekly freighter service to Hanoi from May, resulting in a total of eight freighter flights per week to the city.
- Driven by strong demand to the Americas, the Southeast Asia region had a strong start to 2025, followed by a production rush ahead of the introduction of tariff changes by the United States in early April.
- General cargo including high-tech electronics and garments performed well on regional routes, with Vietnam, Thailand and Indonesia continuing to drive perishables traffic into Hong Kong, the Chinese Mainland and the United States.
- Perishables such as chilled meats and fresh produce comprised a large proportion of the cargo carried from Oceania.
- Exports from Oceania to Europe and the Americas were supported by movements of vehicles, turbines and exhibition materials, while exports under the Cathay Live Animal solution remained solid.
- Cathay Cargo launched weekly freighter flights to Brisbane in June while suspending the Wellcamp service.
- In June, we transported a number of terracotta figures and over 200 artefacts from Xi'an to Perth via Hong Kong for the "Terracotta Warriors: Legacy of the First Emperor" exhibition, leveraging our Cathay Expert and Cathay Secure solutions to help bring these important cultural treasures to the world.

North Asia

- As at 30th June 2025, we were operating freighters serving nine destinations in North Asia, in addition to utilising belly space on the Cathay Group's passenger flights.
- The Chinese Mainland market remained steady despite a temporary contraction in cargo demand from the United States between April and mid-May due to increased tariffs and the removal of the de minimis exemption. We saw a rebound in demand following the temporary reduction in tariffs in May.

- Overall, demand for general cargo from the Chinese Mainland to other markets remained robust, with growth primarily driven by high-tech electronics on major trade lanes to markets such as India and the Southwest Pacific.
- Tonnage under our Cathay Mail and Cathay Pharma solutions from the Chinese Mainland saw notable growth for the first half of 2025.
- Long-haul traffic from other markets in North Asia remained steady, with high-tech and automotive shipments being the key commodities.

Europe

- As at 30th June 2025, we were operating freighters serving five destinations in Europe, in addition to utilising belly space on Cathay Pacific's passenger flights.
- We operated additional frequencies on our European routes in March to cater for the quarter-end air cargo demand.
- General cargo remained the key export contributor to tonnage growth for Europe, with Cathay Pharma and Cathay Fresh continuing to drive growth for our specialist solutions from the region.
- In February, we were proud to be the official airline partner for the Longines Hong Kong International Horse Show. We transported around 70 of the world's finest sports horses from Liège and London to Hong Kong, showcasing our expertise and care in transporting live animals.

South Asia, the Middle East and Africa

- As at 30th June 2025, we were operating freighters serving six destinations in South Asia, the Middle East and Africa, in addition to utilising belly space on Cathay Pacific's passenger flights.
- General cargo, high-tech electronics, perishables and pharmaceuticals continued to drive tonnage growth from the region, with Asia being a key destination.

Lifestyle

Cathay's Lifestyle vision is to become a leading service brand by building deep, engaging relationships with customers, offering them curated travel lifestyle products and experiences throughout their lifetime. Through the Lifestyle business, 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 such as hotels, retail, experiences, and insurance. Both streams provide access to the Cathay membership programme and Asia Miles, allowing members to earn and use miles for full or partial payment.

Financial Review

Revenue

	Cathay Group			The Company		
	Six months ended 30th June			Six months ended 30th June		
	2025 HK\$M	2024 HK\$M	Change	2025 HK\$M	2024 HK\$M	Change
Passenger services	37,212	33,004	+12.7%	34,208	30,017	+14.0%
Cargo services	12,761	12,610	+1.2%	11,141	10,902	+2.2%
Other services and recoveries	4,336	3,990	+8.7%	4,369	3,865	+13.0%
Total revenue	54,309	49,604	+9.5%	49,718	44,784	+11.0%

Cathay Pacific passenger revenue increased by 14.0% compared with a 26.3% increase in available seat kilometres. Cathay Cargo revenue increased by 2.2%, compared with a 8.1% increase in available freight tonne kilometres. Revenue from other services and recoveries increased by 13.0%.

Operating Expenses

	Cathay Group			The Company		
	Six months ended 30th June			Six months ended 30th June		
	2025 HK\$M	2024 HK\$M	Change	2025 HK\$M	2024 HK\$M	Change
Staff	9,382	7,770	+20.7%	7,444	6,212	+19.8%
Inflight service and passenger expenses	2,583	1,957	+32.0%	2,548	1,934	+31.7%
Landing, parking and route expenses	8,076	6,572	+22.9%	7,249	5,947	+21.9%
Fuel, including hedging losses/(gains)	14,654	14,160	+3.5%	13,390	12,938	+3.5%
Aircraft maintenance	4,295	4,047	+6.1%	3,679	3,510	+4.8%
Aircraft depreciation and rentals	4,589	4,929	-6.9%	4,257	4,538	-6.2%
Other depreciation, amortisation and rentals	1,401	1,256	+11.5%	1,041	912	+14.1%
Others	3,403	3,006	+13.2%	4,268	3,527	+21.0%
Operating expenses	48,383	43,697	+10.7%	43,876	39,518	+11.0%
Net finance charges	1,477	1,455	+1.5%	1,066	875	+21.8%
Total operating expenses	49,860	45,152	+10.4%	44,942	40,393	+11.3%

- The Group's and the Company's total operating expenses increased by 10.4% and 11.3% respectively.
- The cost per ATK (with fuel) of the Company decreased from HK\$3.42 to HK\$3.28, a decrease of 4.1%.
- The cost per ATK (without fuel) of the Company decreased from HK\$2.32 to HK\$2.30, a decrease of 0.9%.

Operating Results Analysis

	Six months ended 30th June		
	2025 HK\$M	2024 HK\$M	Change
The Company's profit before non-recurring items and taxation	4,776	4,391	+8.8%
Taxation	(746)	(519)	+43.7%
The Company's profit after taxation and before non-recurring items	4,030	3,872	+4.1%
Subsidiaries' results	(198)	(26)	+661.5%
The Company and subsidiaries' profit after taxation and before non-recurring items	3,832	3,846	-0.4%
Share of losses from associates	(181)	(342)	-47.1%
Underlying profit attributable to the shareholders of the Group (note a)	3,651	3,504	+4.2%
Gains on deemed partial disposal of associates (note b)	-	90	-100.0%
Net reversal of impairment	-	19	-100.0%
Profit attributable to the shareholders of the Group	3,651	3,613	+1.1%

Notes:

- (a) The underlying profit attributable to the shareholders of the Cathay Group excludes non-recurring items.
(b) Please refer to note 4 below for details.

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

HK\$M		
The Company's 2024 interim profit before non-recurring items and taxation	4,391	
Increase of revenue:		
- Passenger and cargo revenue	4,430	- Passenger revenue increased as a result of increase in capacity and traffic, partially offset by a 12.3% reduction in yield. - Cargo revenue increased due to a 5.9% increase in cargo traffic. This was slightly offset by a 3.4% decrease in yield.
- Other services and recoveries	504	- Increase due to higher passenger volumes and more mileage sales.
Increase of costs:		
- Staff	(1,232)	- Increased due to higher capacity operated and more headcount.
- Inflight service and passenger expenses	(614)	- Increased on higher passenger volumes.
- Landing, parking and route expenses	(1,302)	- Increased on operating additional capacity.
- Fuel, including hedging losses/(gains)	(452)	- Increased fuel costs were mainly due to higher fuel consumption, partially offset by lower average fuel price.
- Aircraft maintenance	(169)	- Higher due to increased aircraft flying hours.
- Owning the assets (includes aircraft and other depreciation, rentals and net finance charges)	(39)	- Impact of depreciation and interest rate.
- Others	(741)	- Higher on increased operations.
The Company's 2025 interim profit before non-recurring items and taxation	4,776	

Fuel Expenditure and Hedging

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

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Gross fuel cost	14,436	14,221
Fuel hedging losses/(gains)	218	(61)
Net fuel cost	14,654	14,160

Fuel costs increased due to a 19.0% increase in consumption, slightly offset by 14.3% decrease in the average into-plane fuel price.

Financial Position

Financial position as at 30th June 2025. The comparative period references 31st December 2024.

- Additions to property, plant and equipment during the six months period to 30th June 2025 were HK\$3,759 million, comprising HK\$2,749 million in respect of aircraft and related equipment, HK\$746 million in respect of land and buildings and HK\$264 million in respect of other equipment.
- Borrowings (being loans and other borrowings, and lease liabilities) decreased by 4.7% to HK\$65,254 million. Excluding leases without asset transfer components, borrowings decreased by 6.8% to HK\$53,732 million, which are fully repayable by 2035, with 40% 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 2024 Annual Report.
- Available unrestricted liquidity at 30th June 2025 totalled HK\$21,504 million, comprising liquid funds of HK\$8,912 million and committed undrawn facilities of HK\$12,595 million, less 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) decreased by 2.8% to HK\$56,342 million. Excluding leases without asset transfer components, net borrowings decreased by 4.8% to HK\$44,820 million.
- Funds attributable to the shareholders of the Cathay Group decreased by 1.6% to HK\$51,654 million. This was due to the Group's attributable profit for the period of HK\$3,651 million, offset by decrease in other comprehensive income of HK\$1,342 million and dividend distributed to ordinary shareholders of HK\$3,155 million.
- Excluding leases without asset transfer components, the net debt/equity ratio decreased from 0.90 times to 0.87 times (against borrowing covenants of 2.0). Taking into account the effect of adopting HKFRS 16 on net borrowings, the net debt/equity ratio decreased from 1.10 times to 1.09 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 2024 Annual Report.

Review of the Performance of Key Subsidiaries and Associates

- HK Express recorded a loss before net finance charges and taxation of HK\$524 million in the first half of 2025, compared with a profit before net finance charges and taxation of HK\$66 million in the first half of 2024. In the first half of 2025, HK Express carried about 3.8 million passengers, an increase of 33.5% compared with the same period in 2024. The average flown load factor was 78.9%, a decrease of 6.1 percentage points. Available seat kilometres amounted to 8,810 million.
- AHK Air Hong Kong Limited recorded a profit in the first half of 2025, at a similar level compared with the same period in 2024.
- The financial results of Cathay Pacific Catering Services (H.K.) Limited as well as flight kitchens outside Hong Kong in the first half of 2025 improved compared to the same period in 2024.
- The financial results of Cathay Pacific Services Limited in the first half of 2025 improved compared with the same period in 2024.
- The financial results of Hong Kong Airport Services Limited for the first half of 2025 improved compared with the same period in 2024.
- The financial results of Vogue Laundry Service Limited for the first half of 2025 improved compared with the same period in 2024.
- The Group's share of Air China Limited's ("Air China") results is based on its financial statements drawn up three months in arrears. Consequently the 2025 interim results include Air China's results for the six months ended 31st March 2025. For the six months ended 31st March 2025, Air China's financial results improved compared to those for the six months ended 31st March 2024.
- Air China Cargo Co., Ltd. ("Air China Cargo"), in which the Cathay Group owns an equity and economic interest totalling 21.01%, is a leading provider of air cargo services in the Chinese Mainland. Our share of Air China Cargo's results is based on its financial statements drawn up three months in arrears. Our 2025 interim results include Air China Cargo's results for the six months ended 31st March 2025.

Sustainability Leadership

- Cathay Pacific entered into an agreement with China Petroleum and Chemical Corporation (Sinopec) to refuel some of our flights at Hong Kong International Airport (HKIA) with SAF produced and blended with conventional aviation fuel by Sinopec, demonstrating the expanding reach of SAF produced in the Chinese Mainland along the global supply chain.
- Cathay is committed to being a force of positivity for our communities. We help people move forward in life through a variety of programmes throughout the year that inspire dreams and aspirations, encourage physical and mental well-being, and connect people, places and cultures. Cathay sponsored the UNICEF Power Run in January and the inaugural LEAP Into Colour Run & Carnival on 23rd February, raising essential funds to support the emotional well-being and protection of children.
- In March, we unveiled a refreshed format for our flagship I Can Fly programme focused on Education, Discovery and Exploration. Two consecutive I Can Fly Aviation Explorer Days were held for 870 students, organised with the support of the Hong Kong SAR Government's Strive and Rise programme and a number of other community engagement partners. Through the I Can Fly programme this year, Cathay will empower some 2,000 young people between the ages of 10 and 18 to pursue their dreams.
- Cathay was named the exclusive Founding Travel Partner of the new Kai Tak Sports Park (KTSP), reinforcing our commitment to Hong Kong through our continued efforts to support the development of sports, arts and culture in our home city, and promote mega-events that place Hong Kong on the world stage.
- In May, Cathay and Feeding Hong Kong celebrated over 10 years of working together through a surplus food rescue programme turning an environmental problem into a social solution. Under this programme, surplus food items from inbound Cathay Pacific flights are collected and repurposed to support underprivileged members of the community. Since the programme's launch in 2014, 2,250 tonnes of food have been collected and redistributed to people in need, benefitting 260,000 individuals over the past decade. Volunteers from across Cathay have frequently offered their helping hands in supporting Feeding Hong Kong's operations.
- We regularly review our people policies and Employee Value Propositions in alignment with legislation, industry practices and market conditions, as well as taking into account individual and collective performance to ensure that our employee remuneration remains competitive and fair.
- At 30th June 2025, the Group employed more than 32,200 people worldwide, with around 27,300 employed in Hong Kong.

Consolidated Statement of Profit or Loss

for the six months ended 30th June 2025 – Unaudited

	Note	2025 HK\$M	2024 HK\$M
Revenue			
Passenger services		37,212	33,004
Cargo services		12,761	12,610
Other services and recoveries		4,336	3,990
Total revenue		54,309	49,604
Expenses			
Staff		(9,382)	(7,770)
Inflight service and passenger expenses		(2,583)	(1,957)
Landing, parking and route expenses		(8,076)	(6,572)
Fuel, including hedging (losses)/gains		(14,654)	(14,160)
Aircraft maintenance		(4,295)	(4,047)
Aircraft depreciation and rentals		(4,589)	(4,929)
Other depreciation, amortisation and rentals		(1,401)	(1,256)
Others		(3,403)	(3,006)
Operating expenses		(48,383)	(43,697)
Operating profit before non-recurring items		5,926	5,907
Gains on deemed partial disposal of associates	4	-	90
Net reversal of impairment		-	19
Operating profit	5	5,926	6,016
Finance charges		(1,693)	(1,939)
Finance income		216	484
Net finance charges		(1,477)	(1,455)
Share of losses of associates		(128)	(320)
Profit before taxation		4,321	4,241
Taxation	6	(670)	(628)
Profit for the period		3,651	3,613
Profit for the period attributable to			
Ordinary shareholders of the Cathay Group		3,651	3,372
Preference shareholder of the Cathay Group		-	241
Non-controlling interests		-	-
Profit for the period		3,651	3,613
Underlying profit attributable to shareholders of the Cathay Group*		3,651	3,504
Earnings per ordinary share			
Basic	7	56.7¢	52.4¢
Diluted	7	54.8¢	47.0¢

* The underlying profit was calculated excluding non-recurring items, which included deemed partial disposal gains of nil (2024: HK\$90 million) and a total of nil (2024: HK\$19 million) in net reversal of impairment for the six months ended 30th June 2025.

Consolidated Statement of Other Comprehensive Income

for the six months ended 30th June 2025 – Unaudited

	2025 HK\$M	2024 HK\$M
Profit for the period	3,651	3,613
Other comprehensive income		
Items that will or may be reclassified subsequently to profit or loss:		
Cash flow hedges		
- (losses)/gains recognised during the period	(2,148)	1,789
- losses/(gains) transferred to profit or loss	106	(426)
- deferred taxation asset/(liability)	213	(130)
Share of other comprehensive income of associates		
- recognised during the period	(24)	(68)
Exchange differences on translation of foreign operations		
- gains/(losses) recognised during the period	513	(383)
- reclassified to profit or loss upon deemed partial disposal	-	(4)
Item that will not be reclassified subsequently to profit or loss:		
Defined benefit plans		
- remeasurement losses recognised during the period	(2)	(1)
Other comprehensive income for the period, net of taxation	(1,342)	777
Total comprehensive income for the period	2,309	4,390
Total comprehensive income attributable to		
Ordinary shareholders of the Cathay Group	2,309	4,149
Preference shareholder of the Cathay Group	-	241
Non-controlling interests	-	-
	2,309	4,390

Consolidated Statement of Financial Position

at 30th June 2025 – Unaudited

		30th June 2025	31st December 2024
	Note	HK\$M	HK\$M
ASSETS AND LIABILITIES			
Non-current assets and liabilities			
Property, plant and equipment		116,085	116,457
Intangible assets		14,375	14,420
Investments in associates		16,497	16,371
Other long-term receivables and investments		3,558	3,598
Deferred tax assets		1,367	1,152
		151,882	151,998
Interest-bearing liabilities	8	(53,710)	(56,849)
Other long-term payables		(3,525)	(3,462)
Other long-term contract liabilities		(174)	(197)
Deferred tax liabilities		(8,382)	(7,990)
		(65,791)	(68,498)
Net non-current assets		86,091	83,500
Current assets and liabilities			
Stock		1,613	1,386
Trade and other receivables	9	7,895	7,326
Liquid funds	10	8,912	10,534
		18,420	19,246
Interest-bearing liabilities	8	(11,544)	(11,626)
Trade and other payables	11	(18,503)	(18,477)
Contract liabilities		(20,906)	(18,365)
Taxation		(1,897)	(1,771)
		(52,850)	(50,239)
Net current liabilities		(34,430)	(30,993)
Total assets less current liabilities		117,452	121,005
Net assets		51,661	52,507
CAPITAL AND RESERVES			
Share capital	12	28,841	28,841
Reserves		22,813	23,659
Funds attributable to the shareholders of the Cathay Group		51,654	52,500
Non-controlling interests		7	7
Total equity		51,661	52,507

Consolidated Statement of Cash Flows

for the six months ended 30th June 2025 - Unaudited

	2025 HK\$M	2024 HK\$M
Operating activities		
Cash generated from operations	12,615	12,140
Interest received	144	271
Interest paid	(1,446)	(1,383)
Tax paid	(160)	(415)
Net cash inflow from operating activities	11,153	10,613
Investing activities		
Net increase in liquid funds other than cash and cash equivalents	(375)	(1,394)
Proceeds from sales of property, plant and equipment	20	151
Net (increase)/decrease in other long-term receivables and investments	(6)	24
Payments for property, plant and equipment and intangible assets	(4,094)	(2,907)
Dividends received	174	81
Repayment from/(loan to) associates	14	(37)
Net cash outflow from investing activities	(4,267)	(4,082)
Financing activities		
New financing	6,572	4,312
Loan and principal elements of lease payments	(12,547)	(6,079)
Dividends paid – ordinary shares	(3,155)	(2,768)
Dividends paid – preference shares	-	(244)
Net cash outflow from financing activities	(9,130)	(4,779)
Net (decrease)/increase in cash and cash equivalents	(2,244)	1,752
Cash and cash equivalents at 1st January	5,444	7,894
Effect of exchange differences	121	(25)
Cash and cash equivalents at 30th June	3,321	9,621

Notes:

1. Basis of preparation and accounting policies

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 6th August 2025.

The financial information relating to the year ended 31st December 2024 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 2024 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 2025 are consistent with those described in the annual financial statements for the year ended 31st December 2024 except for changes in accounting policies in note 2 below.

2. Changes in accounting policies

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

Amendments to HKAS 21 “The effects of changes in foreign exchange rates: Lack of exchangeability”

The amended HKFRSs 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 2025					
	The Company* HK\$M	HK Express HK\$M	Air Hong Kong HK\$M	Airline services HK\$M	Associates HK\$M	Total HK\$M
Profit or loss						
Sales to external customers	48,986	3,171	1,595	557		54,309
Inter-segment sales	732	-	5	2,288		3,025
Segment revenue	49,718	3,171	1,600	2,845		57,334
Segment profit/(loss)	5,842	(524)	474	134		5,926
Share of losses of associates	-	-	-	-	(128)	(128)
Profit/(loss) before net finance charges and taxation	5,842	(524)	474	134	(128)	5,798
Corporate items:						
Net finance charges						(1,477)
Taxation						(670)
Profit for the period						3,651
Non-controlling interests						-
Profit attributable to the shareholders of the Cathay Group						3,651

3. Segment information (continued)

	Six months ended 30th June 2024					
	The Company*	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	44,224	3,175	1,699	506		49,604
Inter-segment sales	560	-	4	1,838		2,402
Segment revenue	44,784	3,175	1,703	2,344		52,006
Segment profit, before non-recurring items	5,266	66	488	87		5,907
Gain on deemed partial disposal of an associate	90	-	-	-		90
Net reversal of impairment	19	-	-	-		19
Segment profit	5,375	66	488	87		6,016
Share of losses of associates	-	-	-	-	(320)	(320)
Profit/(loss) before net finance charges and taxation	5,375	66	488	87	(320)	5,696
Corporate items:						
Net finance charges						(1,455)
Taxation						(628)
Profit for the period						3,613
Non-controlling interests						-
Profit attributable to the shareholders of the Cathay Group						3,613

* These amounts are sub-consolidated with insignificant financial results of certain subsidiaries.

- 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.
- HK Express is a low cost passenger carrier offering scheduled services within Asia.
- Air Hong Kong provides express cargo air transportation offering scheduled services within Asia.
- Airline services represents our supporting airline operations including catering, cargo terminal operations, ground handling services and commercial laundry operations.
- 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. As the Executive Directors evaluates each segment on earnings before interest and tax ("EBIT") in 2025, segment results are now presented on EBIT basis. Prior-year presentation has been restated to conform with this revised presentation.

Inter-segment sales are based on prices set on an arm's length basis.

(b) Geographical information

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Revenue by origin of sale:		
North Asia		
- Chinese Mainland, Hong Kong and Taiwan	30,078	29,235
- Japan and Korea	2,151	2,019
Americas	7,934	7,186
Southeast Asia and Oceania	7,024	5,540
Europe	4,852	3,892
South Asia, Middle East and Africa	2,270	1,732
	54,309	49,604

A geographic analysis of segment assets is not disclosed for the reasons set out in the 2024 Annual Report.

4. Gains on deemed partial disposal of associates

Air China

On 7th February 2024, the Group's interest in Air China was diluted from 16.26% to 15.87% as a result of Air China issuing 393 million new H shares to a specific investor with proceeds of the issuance totalling HK\$2 billion.

A gain on this deemed partial disposal of HK\$90 million was recorded for the six months ended 30th June 2024, principally reflecting the change in the Group's share of net assets in Air China immediately before and after the share issuance.

Air China Cargo

On 7th February 2025, Air China Cargo exercised its over-allotment right after being listed in December 2024. As a result, the Group's ownership was diluted from 21.36% to 21.01%. This financial impact is immaterial to the Group.

5. Operating profit

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
Operating profit has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment		
- right-of-use assets	1,690	1,910
- owned	3,709	3,762
Amortisation of intangible assets	332	286
(Reversal of) impairment on non-financial assets		
- property, plant and equipment	-	(46)
- investments in associates	-	27
Expenses relating to short-term leases and leases of low-value assets	6	8
Gain on disposal of property, plant and equipment, net	(2)	(51)
Cost of stock expensed	934	803
Exchange differences, net	97	(13)
Auditors' remuneration	8	8
Government grants	(87)	(147)
Dividend income from unlisted equity investments	(141)	(66)

6. Taxation

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
Current tax expenses		
- Hong Kong profits tax	210	77
- overseas tax	112	109
- over provisions for prior years	(68)	(29)
Deferred tax expense		
- origination and reversal of temporary differences	416	471
	670	628

Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the period. Overseas tax is calculated at rates of tax applicable in countries in which the Group is assessable for tax. Tax provisions are reviewed regularly to take into account changes in legislation, practice and the status of negotiations with tax authorities.

The Group is subject to the Organisation for Economic Co-operation and Development (OECD) Global Anti-Base Erosion Model Rules (Pillar Two model rules) for global minimum tax reform. Hong Kong has enacted the legislation for Pillar Two effective from 1st January 2025. Based on the Group's current assessment and quantification, the estimated exposure is no more than HK\$150 million for the six months ended 30th June 2025. However, some degree of uncertainty remains, as the OECD's Inclusive Framework on Pillar Two has indicated that further guidance on Substance-Based Income Exclusion rules for assets and employees is forthcoming.

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

7. Earnings per ordinary share

	2025			2024		
	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	3,651	6,439,409,250	56.7	3,372	6,437,965,279	52.4
Effect of dilutive potential ordinary shares ^(b)						
- Deemed issue of ordinary shares from the exercise of warrants	-	-		-	193,817,786	
- Convertible bonds and its after tax effect of effective interest	32	279,668,493		117	785,699,334	
Diluted earnings per ordinary share	3,683	6,719,077,743	54.8	3,489	7,417,482,399	47.0

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

8. Interest-bearing liabilities

	30th June 2025 HK\$M	31st December 2024 HK\$M
Non-current liabilities:		
Loans and other borrowings	29,861	33,174
Lease liabilities	23,849	23,675
	53,710	56,849
Current liabilities:		
Loans and other borrowings	7,427	7,423
Lease liabilities	4,117	4,203
	11,544	11,626
Total borrowings	65,254	68,475
Liquid funds	(8,912)	(10,534)
Net borrowings	56,342	57,941

Included in lease liabilities, HK\$11,522 million (31st December 2024: HK\$10,844 million) pertains to leases without asset transfer components, and included in other borrowings, HK\$4,113 million (31st December 2024: HK\$4,646 million) relates to sale-and-leaseback financing arrangements without asset transfer at the end of contract term.

9. Trade and other receivables

	30th June 2025 HK\$M	31st December 2024 HK\$M
Trade debtors, net of loss allowances	4,956	4,731
Derivative financial assets - current portion	133	505
Other receivables and prepayments	2,789	2,078
Due from associates and other related companies	17	12
	7,895	7,326

	30th June 2025 HK\$M	31st December 2024 HK\$M
Analysis of trade debtors (net of loss allowances) by invoice date:		
Within one month	4,788	4,241
One to three months	149	478
More than three months	19	12
	4,956	4,731

10. Liquid funds

	30th June 2025 HK\$M	31st December 2024 HK\$M
Cash and cash equivalents		
Short-term deposits and bank balances	3,321	5,444
Other liquid funds		
Short-term deposits maturing beyond three months when placed	1,821	1,446
Funds with investment managers		
- debt securities listed outside Hong Kong	3,767	3,257
- bank deposits	-	384
Other liquid investments		
- debt securities listed outside Hong Kong	3	3
Liquid funds	8,912	10,534

Other liquid investments are debt securities of HK\$3 million (31st December 2024: 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 2025 HK\$M	31st December 2024 HK\$M
Liquid funds	8,912	10,534
Less: amounts pledged as part of long-term financing		
- debt securities listed outside Hong Kong	(3)	(3)
Committed undrawn facilities	12,595	8,542
Available unrestricted liquidity to the Group	21,504	19,073

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

11. Trade and other payables

	30th June 2025 HK\$M	31st December 2024 HK\$M
Trade creditors	7,597	7,480
Derivative financial liabilities – current portion	1,459	277
Other payables	8,784	9,935
Due to associates	282	334
Due to other related companies	381	451
	18,503	18,477

	30th June 2025 HK\$M	31st December 2024 HK\$M
Analysis of trade creditors by invoice date:		
Within one month	7,245	7,033
One to three months	290	384
More than three months	62	63
	7,597	7,480

12. Share capital

	30th June 2025		31st December 2024	
	Number of shares	HK\$M	Number of shares	HK\$M
Issued and fully paid				
Ordinary shares				
At 1st January	6,439,409,250	28,841	6,437,900,319	28,828
Conversion of bonds	-	-	1,508,931	13
At 30th June / 31st December	6,439,409,250	28,841	6,439,409,250	28,841

Save as described below, 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 2025. The Group has not adopted any share option scheme or share award scheme. At 30th June 2025, 6,439,409,250 ordinary shares were in issue (31st December 2024: 6,439,409,250 ordinary shares).

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 declaration of dividends in previous financial years, the conversion price of the Bonds was adjusted to HK\$8.12, HK\$7.92 and HK\$7.55 per ordinary share with effect from 6th April 2024, 7th September 2024 and 4th April 2025 respectively.

On 13th May 2024 and 13th December 2024, 246,305 ordinary shares and 1,262,626 ordinary shares were issued at HK\$8.12 each and HK\$7.92 each respectively in the principal amount of HK\$2 million and 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 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. After completion of the Bonds Repurchase, the outstanding principal amount of the Bonds is HK\$2,164 million and based on the latest conversion price of HK\$7.55 per ordinary share, the maximum number of ordinary shares upon full conversion of the outstanding Bonds to 286,622,516.

Details of issue of the Bonds, adjustment to the conversion price of the Bonds and Bonds Repurchase are set out in the Company's announcements.

13. Dividends

Dividends payable to ordinary shareholders attributable to the previous financial year are as follows:

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Interim dividend in respect of the previous financial year, approved and paid during the six months ended 30th June 2025, of HK49 cents per ordinary share (paid during the six months ended 30th June 2024: HK43 cents per ordinary share)	3,155	2,768

The Directors have declared a first interim dividend (“Interim Dividend”) of HK20 cents per ordinary share for the year ending 31st December 2025. The Interim Dividend which totals HK\$1,288 million will be paid on 9th October 2025 to ordinary shareholders registered at the close of business on the record date, being Friday, 5th September 2025. Ordinary shares of the Company will be traded ex-dividend as from Wednesday, 3rd September 2025. 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 2025.

The register of members will be closed on Friday, 5th September 2025, 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, 4th September 2025.

14. Events after the reporting period

Purchase of 14 Boeing 777-9 aircraft

On 6th August 2025, a wholly-owned subsidiary of the Company and The Boeing Company (“Boeing Company”) entered into a supplemental agreement pursuant to which the wholly-owned subsidiary (i) exercised the purchase rights under the aircraft purchase agreement (which was dated 20th December 2013 entered into by the wholly-owned subsidiary and Boeing Company) to purchase 14 Boeing 777-9 aircraft; and (ii) secured the right to acquire up to seven additional Boeing 777-9 aircraft from Boeing Company.

Convertible bond conversion

On 5th August 2025, a conversion notice was received for the exercise of the conversion rights of the Bonds at the conversion price of HK\$7.55 per ordinary share in the principal amount of HK\$404 million. Following the allotment effective on or after 6th August 2025, the outstanding principal amount of the Bonds will be HK\$1,760 million.

15. Corporate governance

The Company is committed to maintaining a high standard of 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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, 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.

The 2025 interim results have been reviewed by the Audit Committee of the Company and by the external auditors. Details on Corporate Governance can be found in the 2024 Annual Report and in the 2025 Interim Report.

16. Interim report

The 2025 Interim Report containing all the information required by the Listing Rules will be published on the Stock Exchange’s website and the Company’s website (www.cathaypacific.com) on or before 22nd August 2025. Printed copies will be dispatched to shareholders who have elected to receive printed copies on 25th August 2025.

Disclaimer

This document may contain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macro-economic and geopolitical uncertainties, changes in the competitive environment, data quality, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

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

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

Non-Executive Directors: Ma Chongxian (Deputy Chair), Guy Bradley, Gordon McCallum, Sun Yuquan, Merlin Swire, Augustus Tang, Wang Mingyuan, Xiao Feng;

Independent Non-Executive Directors: Bernard Chan, Lily Cheng, Christoph Mueller and Wang Xiao Bin.

By Order of the Board

Cathay Pacific Airways Limited

Patrick Healy
Chair

Hong Kong, 6th August 2025

Website: www.cathaypacific.com

References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.