

## 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 2016 and consolidated statement of financial position at 31st December 2016, modified to conform to the Group's financial statements presentation.

### Consolidated Statement of Profit or Loss

For the year ended 31st December 2016

|   | 2016<br>HK\$M | 2015<br>HK\$M |
|---|---------------|---------------|
| Revenue   | 92,751        | 102,342       |
| Operating expenses  | (93,276)      | (95,678)      |
| <b>Operating (loss)/profit</b>  | <b>(525)</b>  | <b>6,664</b>  |
| Finance charges   | (1,561)       | (1,380)       |
| Finance income  | 260           | 216           |
| Net finance charges   | (1,301)       | (1,164)       |
| Share of profits less losses of associated companies  | 2,049         | 1,965         |
| <b>Profit before taxation</b>   | <b>223</b>    | <b>7,465</b>  |
| Taxation  | (497)         | (1,157)       |
| <b>(Loss)/profit for the year</b>   | <b>(274)</b>  | <b>6,308</b>  |
| (Loss)/profit for the year attributable to:   |               |               |
| – Cathay Pacific's shareholders   | (575)         | 6,000         |
| – Non-controlling interests   | 301           | 308           |
|   | (274)         | 6,308         |
| Dividends   |               |               |
| Interim - paid  | 197           | 1,023         |
| Second interim - declared/paid  | –             | 1,062         |
|   | 197           | 2,085         |
|   | HK¢           | HK¢           |
| (Loss)/earnings per share from profit attributable to Cathay Pacific's shareholders (basic and diluted) | (14.6)        | 152.5         |

### Consolidated Statement of Other Comprehensive Income

For the year ended 31st December 2016

|  | 2016<br>HK\$M | 2015<br>HK\$M  |
|--|---------------|----------------|
| <b>(Loss)/profit for the year</b>                                    | <b>(274)</b>  | <b>6,308</b>   |
| <b>Other comprehensive income</b>                                    |               |                |
| <b>Items that will not be reclassified to profit or loss</b>         |               |                |
| Defined benefit plans  | 606           | (210)          |
| <b>Items that can be reclassified subsequently to profit or loss</b> |               |                |
| Cash flow hedges   | 9,690         | (5,417)        |
| Net fair value changes on available-for-sale assets                  | 178           | (321)          |
| Share of other comprehensive income of associated companies          | 334           | (741)          |
| Net translation differences on foreign operations                    | (1,536)       | (1,060)        |
| <b>Other comprehensive income for the year, net of tax</b>           | <b>9,272</b>  | <b>(7,749)</b> |
| <b>Total comprehensive income for the year</b>                       | <b>8,998</b>  | <b>(1,441)</b> |
| Total comprehensive income attributable to:                          |               |                |
| Cathay Pacific's shareholders  | 8,697         | (1,749)        |
| Non-controlling interests  | 301           | 308            |
|  | 8,998         | (1,441)        |

## Consolidated Statement of Financial Position

At 31st December 2016

|   | 2016<br>HK\$M   | 2015<br>HK\$M   |
|---|-----------------|-----------------|
| <b>ASSETS AND LIABILITIES</b>                               |                 |                 |
| <b>Non-current assets</b>                                   |                 |                 |
| Property, plant and equipment                               | 106,456         | 100,552         |
| Intangible assets   | 10,934          | 10,606          |
| Investments in associates                                   | 23,298          | 22,878          |
| Other long-term receivables and investments                 | 4,604           | 5,069           |
| Deferred tax assets   | 737             | 497             |
|   | <b>146,029</b>  | <b>139,602</b>  |
| <b>Current assets</b>                                       |                 |                 |
| Stock   | 1,514           | 1,366           |
| Trade, other receivables and other assets                   | 9,588           | 11,212          |
| Liquid funds  | 20,290          | 20,647          |
|   | <b>31,392</b>   | <b>33,225</b>   |
| <b>Current liabilities</b>                                  |                 |                 |
| Current portion of long-term liabilities                    | 11,263          | 13,782          |
| Related pledged security deposits                           | –               | (544)           |
| Net current portion of long-term liabilities                | 11,263          | 13,238          |
| Trade and other payables                                    | 19,104          | 23,025          |
| Unearned transportation revenue                             | 12,926          | 13,012          |
| Taxation  | 707             | 502             |
| Dividend payable to non-controlling interests               | 92              | –               |
|   | <b>44,092</b>   | <b>49,777</b>   |
| <b>Net current liabilities</b>                              | <b>(12,700)</b> | <b>(16,552)</b> |
| <b>Total assets less current liabilities</b>                | <b>133,329</b>  | <b>123,050</b>  |
| <b>Non-current liabilities</b>                              |                 |                 |
| Long-term liabilities                                       | 58,906          | 49,867          |
| Other long-term payables                                    | 7,517           | 15,838          |
| Deferred taxation   | 11,380          | 9,278           |
|   | <b>77,803</b>   | <b>74,983</b>   |
| <b>NET ASSETS</b>   | <b>55,526</b>   | <b>48,067</b>   |
| <b>EQUITY</b>   |                 |                 |
| Share capital   | 17,106          | 17,106          |
| Reserves  | 38,259          | 30,821          |
| <b>Equity attributable to Cathay Pacific's shareholders</b> | <b>55,365</b>   | <b>47,927</b>   |
| <b>Non-controlling interests</b>                            | <b>161</b>      | <b>140</b>      |
| <b>TOTAL EQUITY</b>   | <b>55,526</b>   | <b>48,067</b>   |