

## 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 2017 and consolidated statement of financial position at 31st December 2017, modified to conform to the Group's financial statements presentation.

### Consolidated Statement of Profit or Loss

For the year ended 31st December 2017

	Note	2017 HK\$M	2016 HK\$M
Revenue		97,284	92,751
Operating expenses		(99,563)	(93,276)
<b>Operating loss before non-recurring items</b>		<b>(2,279)</b>	<b>(525)</b>
Gain on disposal of long-term investment		586	–
Gain on deemed partial disposal of an associate	1	244	–
Operating loss		(1,449)	(525)
Finance charges		(2,223)	(1,561)
Finance income		462	260
Net finance charges		(1,761)	(1,301)
Share of profits less losses of associated companies		2,630	2,049
<b>(Loss)/profit before taxation</b>		<b>(580)</b>	<b>223</b>
Taxation		(308)	(497)
<b>Loss for the year</b>		<b>(888)</b>	<b>(274)</b>
Loss for the year attributable to:			
– Cathay Pacific's shareholders		(1,259)	(575)
– Non-controlling interests		371	301
		(888)	(274)
Dividends			
Interim – paid		–	197
Second interim – declared/paid		–	–
		–	197
		HK¢	HK¢
Loss per share from loss attributable to Cathay Pacific's shareholders (basic and diluted)		(32.0)	(14.6)

Note 1: 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 issuance.

### Consolidated Statement of Other Comprehensive Income

For the year ended 31st December 2017

	2017 HK\$M	2016 HK\$M
<b>Loss for the year</b>	<b>(888)</b>	<b>(274)</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Defined benefit plans	702	606
<b>Items that can be reclassified subsequently to profit or loss</b>		
Cash flow hedges	4,352	9,690
Net fair value changes on available-for-sale assets	(403)	178
Share of other comprehensive income of associated companies	470	334
Net translation differences on foreign operations	1,874	(1,536)
<b>Other comprehensive income for the year, net of tax</b>	<b>6,995</b>	<b>9,272</b>
<b>Total comprehensive income for the year</b>	<b>6,107</b>	<b>8,998</b>
Total comprehensive income attributable to:		
Cathay Pacific's shareholders	5,736	8,697
Non-controlling interests	371	301
	6,107	8,998

## Consolidated Statement of Financial Position

At 31st December 2017

	2017 HK\$M	2016 HK\$M
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Property, plant and equipment	111,182	106,456
Intangible assets	11,221	10,934
Investments in associates	28,144	23,298
Other long-term receivables and investments	4,068	4,604
Deferred tax assets	928	737
	<b>155,543</b>	<b>146,029</b>
<b>Current assets</b>		
Stock	1,515	1,514
Trade, other receivables and other assets	12,226	9,588
Liquid funds	19,094	20,290
	<b>32,835</b>	<b>31,392</b>
<b>Current liabilities</b>		
Current portion of long-term liabilities	8,888	11,263
Trade and other payables	17,057	19,104
Unearned transportation revenue	13,961	12,926
Taxation	1,372	707
Dividend payable to non-controlling interests	–	92
	<b>41,278</b>	<b>44,092</b>
<b>Net current liabilities</b>	<b>(8,443)</b>	<b>(12,700)</b>
<b>Total assets less current liabilities</b>	<b>147,100</b>	<b>133,329</b>
<b>Non-current liabilities</b>		
Long-term liabilities	69,506	58,906
Other long-term payables	3,502	7,517
Deferred taxation	12,820	11,380
	<b>85,828</b>	<b>77,803</b>
<b>NET ASSETS</b>	<b>61,272</b>	<b>55,526</b>
<b>EQUITY</b>		
Share capital	17,106	17,106
Reserves	43,995	38,259
<b>Equity attributable to Cathay Pacific's shareholders</b>	<b>61,101</b>	<b>55,365</b>
<b>Non-controlling interests</b>	<b>171</b>	<b>161</b>
<b>TOTAL EQUITY</b>	<b>61,272</b>	<b>55,526</b>