

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 2019 and consolidated statement of financial position at 31st December 2019, modified to conform to the Group's financial statements presentation.

Consolidated Statement of Profit or Loss

For the year ended 31st December 2019

	Note	2019 HK\$M	2018 HK\$M
Revenue		106,973	111,060
Operating expenses		(103,646)	(107,465)
Operating profit before non-recurring items		3,327	3,595
Gain on deemed partial disposal of an associated company	1	114	–
Operating profit		3,441	3,595
Finance charges		(3,276)	(2,457)
Finance income		337	343
Net finance charges		(2,939)	(2,114)
Share of profits less losses of associated companies		1,643	1,762
Profit before taxation		2,145	3,243
Taxation		(454)	(466)
Profit for the year		1,691	2,777
Profit for the year attributable to:			
– Cathay Pacific's shareholders		1,691	2,345
– Non-controlling interests		–	432
		1,691	2,777
		HK¢	HK¢
Earnings per share attributable to Cathay Pacific's shareholders (basic and diluted)		43.0	59.6

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

On 31st October 2019, the Cathay Pacific group's equity and economic interest in Air China Cargo of 49.00% was reduced to 34.78%, when the China National Aviation Holding Company group injected certain equity interests and cash. A gain of HK\$114 million was recorded on this deemed partial disposal.

Consolidated Statement of Other Comprehensive Income

For the year ended 31st December 2019

	2019 HK\$M	2018 HK\$M
Profit for the year	1,691	2,777
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of equity investments designated at fair value through other comprehensive income (non-recycling)	33	–
Defined benefit plans	1,061	(270)
Items that can be reclassified subsequently to profit or loss		
Cash flow hedges	551	1,586
Share of other comprehensive income of associated companies	(186)	628
Net translation differences on foreign operations	(472)	(1,495)
Other comprehensive income for the year, net of tax	987	449
Total comprehensive income for the year	2,678	3,226
Total comprehensive income attributable to:		
Cathay Pacific's shareholders	2,678	2,794
Non-controlling interests	–	432
	2,678	3,226

Consolidated Statement of Financial Position

At 31st December 2019

	2019 HK\$M	2018 HK\$M
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment ¹	140,114	117,124
Intangible assets	15,151	11,174
Investments in associated companies	27,055	27,570
Other long-term receivables and investments	3,823	4,015
Deferred tax assets	1,089	793
	187,232	160,676
Current assets		
Stock	1,812	1,828
Trade and other receivables	10,608	12,475
Liquid funds	14,864	15,315
	27,284	29,618
Current liabilities		
Current portion of long-term liabilities ²	20,752	13,694
Trade and other payables	18,218	17,646
Contract liabilities	15,941	15,792
Bank overdrafts – unsecured	–	19
Taxation	1,951	1,193
Dividend payable to non-controlling interests	–	1
	56,862	48,345
Net current liabilities	(29,578)	(18,727)
Total assets less current liabilities	157,654	141,949
Non-current liabilities		
Long-term liabilities ²	76,508	60,183
Other long-term payables	4,806	4,649
Deferred tax liabilities	13,564	13,178
	94,878	78,010
NET ASSETS	62,776	63,939
EQUITY		
Share capital	17,106	17,106
Reserves	45,667	46,830
Equity attributable to Cathay Pacific's shareholders	62,773	63,936
Non-controlling interests	3	3
TOTAL EQUITY	62,776	63,939

1. Include right-of-use assets in respect of 2019

2. Include lease liabilities in respect of 2019