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CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Proposed Capital Reduction

The Board proposes the Proposed Capital Reduction by way of a reduction in the credit standing to the share capital account of the Company by an amount of HK\$6,969,273,804. The credit arising from the Proposed Capital Reduction will be applied to a capital reduction reserve account of the Company and will be regarded as realized profit pursuant to Section 214 of the Companies Ordinance.

The Proposed Capital Reduction will be put forward at the AGM for approval by Shareholders by the Special Resolution. A circular containing, among other matters, further details of the Proposed Capital Reduction and a notice convening the AGM for the purpose of, among other matters, considering and, if thought fit, passing the Special Resolution for approval of the Proposed Capital Reduction, will be dispatched to the Shareholders in due course.

PROPOSED CAPITAL REDUCTION

The Board proposes the Proposed Capital Reduction by way of a reduction in the credit standing to the share capital account of the Company by an amount of HK\$6,969,273,804.

The credit arising from the Proposed Capital Reduction will be applied to a capital reduction reserve account of the Company and will be regarded as realized profit pursuant to Section 214 of the Companies Ordinance.

Conditions

The Proposed Capital Reduction is subject to the satisfaction of the following conditions:

- (a) all the Directors making a Solvency Statement;
- (b) Shareholders' approval of the Proposed Capital Reduction by way of the passing of the Special Resolution at the AGM;
- (c) the publication of a notice of capital reduction in the Gazette and newspapers in accordance with the Companies Ordinance;

- (d) the delivery to the Registrar for registration a copy of the Solvency Statement and other relevant documents in relation to the Proposed Capital Reduction in accordance with the Companies Ordinance;
- (e) either (i) there being no application to the Court for cancellation of the Special Resolution by creditors or members of the Company within five (5) weeks of the date of the Special Resolution to approve the Proposed Capital Reduction; or (ii) if there is any such application, the Court (or any relevant appeal court) making an order to confirm the Special Resolution on conditions it deems fit; and
- (f) the delivery to the Registrar for registration and/or the registration by the Registrar (as applicable) of the relevant documents within the prescribed timeframe in accordance with the Companies Ordinance.

As at the date of this announcement, none of the above conditions have been fulfilled.

Reason for the Proposed Capital Reduction

As disclosed in the announcement of the Company related to the Share Buy-back dated 24th February 2026, the Share Buy-back was completed on the same date and the Buy-back Shares were to be held by the Company as Treasury Shares. As further disclosed in the 2025 annual results announcement of the Company dated 11th March 2026, the Board approved the cancellation of the Treasury Shares on the same date. The Treasury Shares have now been cancelled.

The consideration for the Share Buy-back was settled in cash by the Company from its internal resources and existing credit lines. The Share Buy-back resulted in a reduction of the Company's distributable reserves by HK\$6,969,273,804. The Proposed Capital Reduction, which will be in an amount equal to such reduction in the Company's distributable reserves, will result in the creation of a capital reduction reserve account, which will be treated as distributable reserves of the Company in accordance with the Companies Ordinance. Accordingly, the Proposed Capital Reduction will offset the reduction in the distributable reserves of the Company arising from the Share Buy-back.

Upon completion of the Proposed Capital Reduction, and subject to applicable laws and the Company's financial performance, the increased distributable reserves are expected to provide the Company with greater flexibility in undertaking corporate actions and/or determining its dividend declaration as and when the Board considers appropriate in the future.

Further, having taken into account the effects described in the section headed "Effects of the Proposed Capital Reduction" of this announcement, the Board is of the view that the Proposed Capital Reduction is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Effects of the Proposed Capital Reduction

Set out below, for illustrative purpose only, is an extract of the statement of financial position of the Company showing the proposed movement in the equity of the Company before and after the Proposed Capital Reduction taking effect, based on the Company's position as at 31st December 2025 as if the Proposed Capital Reduction was completed on 31st December 2025:

	Immediately before the Proposed Capital Reduction	Immediately after the Proposed Capital Reduction taking effect and the application of credit arising from the Proposed Capital Reduction to a capital reduction reserve account
	<i>HK\$ million</i>	<i>HK\$ million</i>
Share capital	31,123	24,154
Capital reduction reserve	-	6,969
Other reserves	34,636	34,636
Total Equity of the Company	65,759	65,759

Notes:

- (1) This table does not take into account expenses that will be incurred by the Company in relation to the Proposed Capital Reduction.
- (2) The share capital of the Company was HK\$31,123 million as at 31st December 2025 and is HK\$31,134 million as at the date of this announcement.

Save for the expenses to be incurred by the Company in relation to the Proposed Capital Reduction, which are expected to be insignificant in the context of the net asset value of the Company, the Proposed Capital Reduction will not, of itself, alter the consolidated net asset value, underlying assets, liabilities, business, operations, management or financial position of the Company. The Proposed Capital Reduction will not, of itself, have any adverse effect on the financial position of the Group. The Proposed Capital Reduction will neither result in any change to the relative rights of the Shareholders nor alter the interests of the Shareholders as a whole.

Expected Completion of the Proposed Capital Reduction

Assuming that all of the above conditions are fulfilled, the Proposed Capital Reduction will become effective upon the registration by the Registrar of the Return of Reduction of Share Capital (by Special Resolution Supported by Solvency Statement) required under the Companies Ordinance.

GENERAL

The Proposed Capital Reduction will be put forward at the AGM for approval by Shareholders by Special Resolution. A circular containing, among other matters,

further details of the Proposed Capital Reduction and a notice convening the AGM for the purpose of, among other matters, considering and, if thought fit, passing the Special Resolution for approval of the Proposed Capital Reduction, will be dispatched to the Shareholders in due course.

The Proposed Capital Reduction is subject to the satisfaction of conditions and therefore it may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares or other securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following respective meanings:

“AGM”	the annual general meeting of the Company to be held on 13th May 2026 for the purposes of approving, among other matters, the Proposed Capital Reduction;
“Board”	the board of Directors;
“Buy-back Shares”	the 643,076,181 Shares which were beneficially owned by Qatar Airways Group Q.C.S.C., a company organised under the laws of the State of Qatar, immediately prior to completion of the Share Buy-back;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	Cathay Pacific Airways Limited, a company incorporated in Hong Kong, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 293);
“Court”	the Court of First Instance of the High Court of Hong Kong;
“Director(s)”	the director(s) of the Company;
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Proposed Capital Reduction”	the proposed reduction of the credit standing to the share capital account of the Company by an amount of HK\$6,969,273,804;

“Registrar”	the Registrar of Companies in Hong Kong;
“Share Buy-back”	the off-market share buy-back by the Company which was completed on 24th February 2026 as disclosed in the announcement of the Company made on the same date;
“Share(s)”	the ordinary share(s) in the capital of the Company;
“Shareholder(s)”	the holder(s) of Shares;
“Solvency Statement”	the solvency statement to be made by all the Directors in relation to the Proposed Capital Reduction in accordance with the Companies Ordinance;
“Special Resolution”	the special resolution to be proposed at the AGM to approve the Proposed Capital Reduction; and
“Treasury Shares”	the Buy-back Shares held by the Company as treasury shares following completion of the Share Buy-back.

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: Liu Tiexiang (Deputy Chair), Guy Bradley, Gordon McCallum, Sun Yuquan, Merlin Swire, Augustus Tang, Wang Mingyuan, Xiao Feng; and

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

By Order of the Board
CATHAY PACIFIC AIRWAYS LIMITED
國泰航空有限公司
Joanna Lai
Company Secretary

Hong Kong, 15th April 2026