



CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Executive Directors:

HEALY, Patrick (*Chair*)
LAM, Siu Por Ronald
LAU, Hoi Zee Lavinia
MCGOWAN, Alexander James John
SHARPE, Rebecca Jane

Non-Executive Directors:

LIU, Tiexiang (*Deputy Chair*)
BRADLEY, Guy Martin Coutts, JP
MCCALLUM, Gordon Douglas
SUN, Yuquan
SWIRE, Merlin Bingham
TANG, Kin Wing Augustus
WANG, Mingyuan
XIAO, Feng

Registered office:

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One Pacific Place
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Independent Non-Executive Directors:

CHAN, Bernard Charnwut, JP
CHENG, Lily Ka Lai
MUELLER, Christoph Romanus
WANG, Xiao Bin

14th January 2026

To the Shareholders

Dear Sir or Madam,

POSSIBLE OFF-MARKET SHARE BUY-BACK AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Share Buy-back.

The purposes of this circular are to provide you with, among other things, (i) details of the Buy-back Deed; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Share Buy-back and the Buy-back Deed; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the

Independent Shareholders on the Share Buy-back and the Buy-back Deed; (iv) other information as required under the Listing Rules, the Takeovers Code and the Share Buy-Backs Code; and (v) the notice of the EGM.

SHARE BUY-BACK

On 5th November 2025, Qatar Airways executed the Deed of Undertaking in favour of the Company. Pursuant to and subject to the conditions of the Deed of Undertaking, Qatar Airways has irrevocably undertaken to the Company to execute the Buy-back Deed in relation to an off-market share buy-back by the Company of the 643,076,181 Shares owned by Qatar Airways, representing approximately 9.57% of the issued Shares as at the Latest Practicable Date, at the Buy-back Price of HK\$10.8374 for each Buy-back Share.

The Company is a company incorporated in Hong Kong. Under section 240 of the Companies Ordinance, a listed company may not enter into a contingent purchase contract relating to its shares prior to obtaining the requisite special resolution of its shareholders. Although the form of the Buy-back Deed has been negotiated and agreed between the Company and Qatar Airways, the Company will not execute the Buy-back Deed unless and until it has obtained approval from at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM. It is the Company's intention to execute the Buy-back Deed as soon as reasonably practicable following the conclusion of the EGM if the requisite approval from the Independent Shareholders has been obtained.

THE DEED OF UNDERTAKING dated 5th November 2025

Parties

Seller: Qatar Airways

Purchaser: The Company

Principal Terms

Pursuant to the Deed of Undertaking, Qatar Airways has irrevocably undertaken to the Company that it shall, subject to: (a) the publication of an announcement within three business days of the date of the Deed of Undertaking; and (b) the approval of the Buy-back Deed and the Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM, duly execute the Buy-back Deed as soon as reasonably practicable after conclusion of the EGM.

The Deed of Undertaking shall terminate at 5:00pm on 4th May 2026 or on such other date as may be agreed between Qatar Airways and the Company.

THE BUY-BACK DEED (AGREED FORM)

Parties

Seller: Qatar Airways

Purchaser: The Company

Buy-back Shares

Qatar Airways agrees to sell or procure the sale of, and the Company agrees to buy back, the Buy-back Shares (being an aggregate of 643,076,181 Shares), representing approximately 9.57% of the issued Shares as at the Latest Practicable Date and all of the Shares currently owned by Qatar Airways in the Company, respectively. Upon completion of the Share Buy-back, Qatar Airways will not own any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Consideration

The consideration for the Share Buy-back was determined following commercial and arm's length negotiations between the Company and Qatar Airways taking into account the prevailing market conditions, and the Buy-back Price for each Buy-back Share (being HK\$10.8374 for each Buy-back Share) was determined between the Company and Qatar Airways by reference to the volume weighted average price per Share for the five trading days up to and including 3rd November 2025 less 3% discount. The consideration will be settled in cash by the Company from its internal resources and existing credit lines at completion.

For reference, the Buy-back Price of HK\$10.8374 for each Buy-back Share represents:

- (a) a discount of approximately 13.7% to the closing price of HK\$12.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 3.9% to the closing price of HK\$11.28 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 3.2% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day of approximately HK\$11.19 per Share;
- (d) a discount of approximately 2.7% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$11.14 per Share;

- (e) a premium of approximately 0.5% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$10.78 per Share;
- (f) a premium of approximately 1.2% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day of approximately HK\$10.71 per Share;
- (g) a discount of approximately 1.3% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 90 trading days up to and including the Last Trading Day of approximately HK\$10.98 per Share;
- (h) a premium of approximately 38.8% over the audited net asset value of the Company of approximately HK\$7.81 per Share as at 31st December 2024, calculated based on the Company's audited consolidated net asset value attributable to ordinary Shareholders of approximately HK\$52,500 million as at 31st December 2024 and 6,722,856,511 Shares in issue as at the Latest Practicable Date; and
- (i) a premium of approximately 41.1% over the unaudited net asset value of the Company of approximately HK\$7.68 per Share as at 30th June 2025, calculated based on the Company's unaudited consolidated net asset value attributable to ordinary Shareholders of approximately HK\$51,654 million as at 30th June 2025 and 6,722,856,511 Shares in issue as at the Latest Practicable Date.

The total consideration for the Share Buy-back is HK\$6,969,273,804.

Other than the total consideration for the Share Buy-back described above, the Company has not paid, and will not pay, any consideration or benefit in any form to Qatar Airways and/or any parties acting in concert with it in connection with the Share Buy-back.

As at the Latest Practicable Date, there is no outstanding declared but unpaid dividend in respect of the Shares.

Conditions

The Company will enter into the Buy-back Deed only if it is approved by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM duly convened and held in accordance with the Company's Articles of Association, the Share Buy-backs Code and the Companies Ordinance. It is the Company's intention to execute the Buy-back Deed as soon as reasonably practicable following the conclusion of the EGM if the requisite approval from the Independent Shareholders has been obtained.

The completion of the Share Buy-back will be subject to and conditional upon the prior and continued satisfaction (or, where applicable, waiver) of the following conditions:

- (a) the approval by the Executive of the Share Buy-back pursuant to the Share Buy-backs Code (and such approval not having been withdrawn) and the condition(s) of such approval, if any, having been satisfied;
- (b) the Executive granting a waiver to Swire Pacific and Air China waiving any obligation on the part of Swire Pacific, Air China or the Air China Subsidiaries under Note 6(b) to Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the Shares upon completion of the Share Buy-back; and
- (c) each of the warranties set out in the Buy-back Deed remaining true and accurate in all material respects.

The conditions set out in paragraphs (a) and (b) cannot be waived by any party. Either Qatar Airways or the Company may waive the condition set out in paragraph (c), in each case with respect to the warranties given by the other.

If any of the conditions are not satisfied or (where applicable) waived on or before 5:00 p.m. on the Long Stop Date, either Qatar Airways or the Company may, in its/their sole discretion, terminate the Buy-back Deed.

On 8th January 2026, the Executive granted the MGO Waiver. Accordingly, as at the Latest Practicable Date, the condition set out in paragraph (b) above has been satisfied given that the MGO Waiver has been granted to Swire Pacific and none of Air China and the Air China Subsidiaries will trigger any obligation to make a mandatory general offer for all the Shares under Rule 26.1 upon completion of the Share Buy-back.

None of the other conditions have been satisfied as at the Latest Practicable Date.

Completion

Subject to the prior and continued satisfaction (or waiver) of the conditions, completion of the Share Buy-back shall take place on the third business day immediately following the date on which the last of the conditions set out in paragraphs (a) to (c) above is satisfied or such other date as the Company and Qatar Airways may agree.

The Company intends to hold the Buy-back Shares as treasury shares. Please refer to the section headed “PUBLIC FLOAT AND CAPITAL MANAGEMENT”.

IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date:

- (a) Swire Pacific holds 2,896,753,089 Shares, representing approximately 43.09% of the issued Shares, out of which 144,837,650 Shares are subject to the Securities Lending Agreement and do not form part of the IU Shares; and
- (b) Air China is indirectly interested in 1,822,436,334 Shares, representing approximately 27.11% of the issued Shares.

On 5th November 2025, and as amended and restated on 5th January 2026 for the Air China Irrevocable Undertaking, each of the IU Shareholders executed an Irrevocable Undertaking in favour of the Company, pursuant to which, subject to the granting of a waiver by the Executive to Swire Pacific and Air China waiving any obligation on the part of Swire Pacific, Air China or the Air China Subsidiaries under Note 6(b) to Rule 26.1 of the Takeovers Code to make a mandatory general offer for all the Shares upon completion of the Share Buy-back (if required):

- (a) Swire Pacific has irrevocably undertaken to the Company to cast all votes in respect of the IU Shares held by it in favour of any resolution(s) put to the Shareholders at any general meeting to be convened in connection with the Share Buy-back to approve the Buy-back Deed and the Share Buy-back; and
- (b) Air China has irrevocably undertaken to the Company to, and procure the Air China Subsidiaries and its and their respective nominees (if any) to, cast all votes in respect of the IU Shares held by it or them in favour of any resolution(s) put to the Shareholders at any general meeting to be convened in connection with the Share Buy-back to approve the Buy-back Deed and the Share Buy-back.

Upon completion of the Share Buy-back, assuming that there is no other change in the issued share capital of the Company, the shareholding of Swire Pacific will increase from approximately 43.09% as at the Latest Practicable Date to approximately 47.65% (i.e. an increase exceeding the 2% “creeper” threshold under Rule 26.1 of the Takeovers Code), while the shareholding of Air China will increase from approximately 27.11% as at the Latest Practicable Date to approximately 29.98% (i.e. below the 30% “trigger” threshold under Rule 26.1 of the Takeovers Code). On 8th January 2026, the Executive granted the MGO Waiver.

Each of the IU Shareholders has also undertaken that, during the term of its Irrevocable Undertaking, it (and, in the case of Air China, the Air China Subsidiaries and its and their respective nominees (if any)) will not sell, transfer, dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal with any of the IU Shares or any interest in the IU Shares (whether conditionally or unconditionally), or otherwise enter into any agreement or arrangement with any person, whether conditionally or unconditionally, to do any of such acts.

Each Irrevocable Undertaking shall terminate at the earlier of (i) immediately following the conclusion of the EGM, and (ii) such other date as may be agreed between the relevant IU Shareholder and the Company.

During the Relevant Period, save for the disposal of 108,080,000 Shares by Easerich Investments Inc., one of the Air China Subsidiaries, at the price of HK\$12.22 per Share pursuant to the share placing agreement dated 5th January 2026, none of the IU Shareholders had dealt for value in any shares, convertible securities, warrants, options or derivatives of the Company.

REASONS FOR AND BENEFITS OF THE SHARE BUY-BACK

The Company was approached by Qatar Airways, which expressed its intention to dispose of all of its shareholding in the Company. Qatar Airways beneficially owns 643,076,181 Shares as at the Latest Practicable Date, representing approximately 9.57% of the issued Shares.

When deciding to propose the Share Buy-back and in arriving at the terms of the Share Buy-back, the Board had taken into consideration the following factors:

- (a) the consideration for the Share Buy-back was determined by reference to the volume weighted average price per Share for the five trading days up to and including 3rd November 2025 less 3% discount. In the light of the above, it is a good opportunity for the Company to enhance its earnings per Share;
- (b) the total consideration for the Share Buy-back amounts to HK\$6,969,273,804. Taking into account the resources of the Group, the total consideration for the Share Buy-back, as well as the future funding needs of the Group, the market conditions, the operational needs of the Group and the aviation industry generally, the Group will have cash sufficient to fund its operations following completion of the Share Buy-back; and
- (c) the Share Buy-back would achieve an orderly exit for Qatar Airways and minimise any potential significant market volatility which may be caused by the disposal of Qatar Airways' Shares in the market.

Taking into account the above, the Directors are of the view that the terms and conditions of the Share Buy-back Deed are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

No Director has a material interest in the Deed of Undertaking, the Share Buy-back, the Buy-back Deed or the transactions contemplated thereunder. Accordingly, no Director was required to abstain from voting at the Board meeting approving the Deed of Undertaking, the Share Buy-back, the Buy-back Deed and the transactions contemplated thereunder.

SHAREHOLDING STRUCTURE

As at the Latest Practicable Date:

- (a) there are 6,722,856,511 Shares in issue;
- (b) save for the Bonds in the aggregate principal amount of HK\$30 million, which are convertible into 4,043,126 Shares at the adjusted conversion price of HK\$7.42 per Share, there are no outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares;
- (c) Qatar Airways beneficially owns, controls or has direction over 643,076,181 Shares (representing approximately 9.57% of the issued Shares as at the Latest Practicable Date);
- (d) save as disclosed in the section headed “EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY” below, Qatar Airways is not, having made all reasonable inquiries, aware of any party acting in concert with it which legally or beneficially owns, controls or has direction over any Shares;
- (e) Qatar Airways does not hold any securities, warrants or options convertible into or derivatives in respect of the Shares, and Qatar Airways is not, having made all reasonable inquiries, aware of any party acting in concert with it holding any such interests; and
- (f) Qatar Airways has not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, and Qatar Airways is not, having made all reasonable inquiries, aware of any party acting in concert with it having done so.

Qatar Airways has not acquired or disposed of any voting rights of the Company or dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company in the Relevant Period, and Qatar Airways is not, having made all reasonable inquiries, aware of any parties acting in concert with it having done so.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Upon completion of the Share Buy-back, the Buy-back Shares will be transferred to the Company and held as treasury Shares. The percentage interest of all other Shareholders in the issued Shares (excluding treasury Shares, if any) will be proportionally increased.

Set out below for illustrative purposes is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Share Buy-back, assuming there is no other change in the shareholdings of the Company before completion of the Share Buy-back:

	As at the Latest Practicable Date		Immediately after the completion of the Share Buy-back (excluding treasury Shares)	
	No. of Shares	%	No. of Shares	%
Qatar Airways and parties acting in concert with it				
Qatar Airways ⁽¹⁾	643,076,181	9.57	–	–
HSBC Life (International) Limited ⁽⁴⁾ (“ INHK ”)	19,000	0.00028	19,000	0.00031
IU Shareholders				
– Swire Pacific ⁽²⁾⁽³⁾	2,896,753,089	43.09	2,896,753,089	47.65
– Air China ⁽²⁾	1,822,436,334	27.11	1,822,436,334	29.98
Other Independent Shareholders	1,360,571,907	20.24	1,360,571,907	22.38
Total	6,722,856,511	100	6,079,780,330	100

Notes: As at the Latest Practicable Date:

- (1) Qatar Airways owns a total of 643,076,181 Shares as beneficial owner.
- (2) Under Section 317 of the SFO, each of Air China, China National Aviation Company Limited and Swire Pacific, being a party to the shareholders’ agreement in relation to the Company dated 8th June 2006, is deemed to be interested in a total of 4,719,189,423 Shares, comprising:
 - a. 2,896,753,089 Shares directly held by Swire Pacific;
 - b. 1,822,436,334 Shares indirectly held by Air China and its subsidiaries, China National Aviation Company Limited, Most Known Investments Limited, Super Supreme Company Limited and Total Transform Group Limited, comprising the following Shares held by their wholly-owned subsidiaries: 472,248,545 Shares held by Angel Paradise Ltd., 351,574,615 Shares held by Custain Limited, 205,974,626 Shares held by Easerich Investments Inc., 310,870,873 Shares held by Grand Link Investments Holdings Ltd., 339,343,616 Shares held by Motive Link Holdings Inc. and 142,424,059 Shares held by Perfect Match Assets Holdings Ltd.
- (3) 144,837,650 Shares are subject to the Securities Lending Agreement.
- (4) HSBC is the financial adviser to Qatar Airways in respect of the Share Buy-back. Accordingly, HSBC and members of the HSBC Group (other than those which are exempt principal traders and/or exempt fund managers in their capacity as such, in each case recognised by the Executive as such for the purpose of the Takeovers Code and the Share Buy-backs Code) are presumed to be acting in concert with Qatar Airways in relation to the Company, in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code and the Share Buy-backs Code (and accordingly except in respect of Shares (or options, warrants or derivatives in respect of them) held by exempt principal traders or

exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code and the Share Buy-backs Code, and excluding Shares (or options, warrants or derivatives in respect of them) held on behalf of non-discretionary investment clients of the HSBC Group). As at the Latest Practicable Date, INHK held 19,000 Shares. INHK is a member of the HSBC Group (and is neither an exempt principal trader nor an exempt fund manager) and, accordingly, it is presumed to be acting in concert with Qatar Airways in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code and the Share Buy-backs Code, and will abstain from voting on the resolution to be proposed at the EGM for approving the Buy-back Deed and the Share Buy-back.

- (5) All percentages in the above table are approximations and subject to rounding.

PROFIT FORECAST

Reference is made to the November Traffic Figures Announcement. The Profit Forecast contained in the November Traffic Figures Announcement constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the financial adviser and auditors of the Company in accordance with Rule 10 of the Takeovers Code. The Profit Forecast is extracted as follows:

“Projecting the 2025 full-year result to exceed last year’s performance”

“The Group projects a strong second-half financial result driven by increased capacity, solid passenger load factors and resilient cargo demand. This is partially offset by losses made by HK Express mainly due to various factors that negatively impacted travel demand to Japan.

The results from the Group’s associates, the majority of which are recognised three months in arrears, are expected to improve in the second half of 2025 as compared to the first half.

Additionally, the Group’s second-half result includes Other Income of approximately HK\$0.9 billion arising from a non-recurring gain on a supplier settlement agreement.

With respect to the Cathay Group’s consolidated 2025 full-year financial result, the second half of the year has historically been the stronger of the two halves for the Group and this has been the case this year as it was in 2024. Overall, the Group’s full-year consolidated financial result is expected to exceed last year’s solid performance.”

The Profit Forecast has been reported on by Somerley Capital Limited as the Independent Financial Adviser and KPMG as the auditors of the Company, and their reports have been included in this circular. Please refer to Appendix III headed “Letter from the Independent Financial Adviser on the Profit Forecast” and Appendix IV headed “Letter from KPMG on the Profit Forecast” of this circular for the relevant reports.

FINANCIAL EFFECTS OF THE SHARE BUY-BACK

NAV per Share

Assuming that the Share Buy-back had taken place on 30th June 2025 and that the Buy-back Shares had been bought back in full, the Company's unaudited net assets attributable to the Shareholders per Share (excluding treasury Shares) as at that date would have decreased by approximately 3.9% from approximately HK\$8.02 per Share to approximately HK\$7.71 per Share as a result of the Buy-back Price being higher than the NAV per Share as of 30th June 2025.

Earnings per Share

Assuming that the Share Buy-back had taken place on 1st January 2024 and that the Buy-back Shares had been bought back in full, the Share Buy-back would have resulted in an increase in the Group's basic earnings per Share (excluding treasury Shares) by approximately 11.1% based on the audited consolidated income statement of the Company for the year ended 31st December 2024.

Total liabilities and working capital

As the consideration for the Share Buy-back will be settled in cash by the Company from its internal resources and existing credit lines at completion, there will be an impact on the total liabilities and working capital in the amount of the cash consideration, as well as the gearing position of the Group. To the extent the Company draws from existing credit lines to settle all or part of the consideration for the Share Buy-back, the Company's total liabilities will increase by the amount drawn from such credit lines. To the extent the Company utilises its internal resources to settle all or part of the consideration for the Share Buy-back, the Company's working capital will decrease by the same amount. In either case, settlement of the consideration for the Share Buy-back will result in an increase in the gearing position of the Group. The cash payment for the consideration represents approximately 36.5% of the available unrestricted funds of the Group as at 31st December 2024; and approximately 32.4% of the available unrestricted funds of the Group as at 30th June 2025.

The Company considers that such impact will not have a material adverse effect on the working capital requirement or gearing level which in the opinion of the Directors are from time to time appropriate for the Group.

Based on the above, the Company considers that the Share Buy-back will have no material adverse effect on the Group's net assets per Share, basic earnings per Share, total liabilities or working capital.

SHAREHOLDING OF AND DEALING IN SECURITIES BY DIRECTORS

As at the Latest Practicable Date, none of the Directors or any person acting in concert with any of them had any interests or short positions in the shares, convertible securities, warrants, options or other derivatives of the Company.

During the Relevant Period, there had been no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any Director or any person acting in concert with any of them had borrowed or lent.

During the Relevant Period, none of the Directors or any persons acting in concert with any of them had dealt for value in any shares, convertible securities, warrants, options or derivatives of the Company.

GENERAL INFORMATION

The Company

The Company is a company incorporated in Hong Kong with limited liability, whose shares are listed on the Stock Exchange.

As well as operating scheduled airline services, the Group is engaged in other related areas including airline catering, ground-handling, cargo terminal operations and loyalty and reward programmes. The airline operations are principally to and from Hong Kong, which is where most of the Group's other activities are also carried out.

Qatar Airways

Qatar Airways is a company organised under the laws of the State of Qatar.

Qatar Airways is principally engaged in business as a commercial airline.

Qatar Airways has been a Shareholder since it first attained a shareholding of approximately 9.99% of the issued Shares in 2018.

IMPLICATIONS UNDER THE SHARE BUY-BACKS CODE AND THE TAKEOVERS CODE

The Share Buy-back constitutes an off-market share buy-back by the Company under the Share Buy-backs Code. The Company has made an application to the Executive for approval of the Share Buy-back pursuant to Rule 2 of the Share Buy-backs Code. The Executive's approval, if granted, will be conditional upon, among other things, approval of the Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Company.

The Company has consulted the Executive on the Takeovers Code and the Share Buy-backs Code implications of the Share Buy-back. The Executive has confirmed that Swire Pacific and Air China (and the Air China Subsidiaries) will be considered as “disinterested shareholders” under Rule 2 of the Share Buy-backs Code and may vote at the EGM in relation to the Share Buy-back. On 8th January 2026, the Executive granted the MGO Waiver.

OTHER ARRANGEMENTS

As at the Latest Practicable Date:

- (a) save for the Irrevocable Undertakings, none of the Company, Qatar Airways or, to the extent Qatar Airways is aware after having made all reasonable inquiries, any party acting in concert with it has secured an irrevocable commitment to vote in favour of or against the Buy-back Deed and/or the Share Buy-back;
- (b) save for the Deed of Undertaking, none of the Company, Qatar Airways or, to the extent Qatar Airways is aware after having made all reasonable inquiries, any party acting in concert with it has any arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of Qatar Airways which might be material to the Buy-back Deed and/or the Share Buy-back;
- (c) none of the Company, Qatar Airways or, to the extent Qatar Airways is aware after having made all reasonable inquiries, any party acting in concert with it has any agreement or arrangement to which Qatar Airways or, to the extent Qatar Airways is aware after having made all reasonable inquiries, any party acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Buy-back Deed and/or the Share Buy-back;
- (d) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Qatar Airways or, to the extent Qatar Airways is aware after having made all reasonable inquiries, any party acting in concert with it on the one hand, and the Company or any party acting in concert with it on the other hand; and
- (e) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) Qatar Airways or, to the extent Qatar Airways is aware after having made all reasonable inquiries, any party acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Following consultation with the Executive in connection with the Irrevocable Undertakings, the Independent Board Committee will comprise all the independent non-executive Directors, namely Bernard Chan, Lily Cheng, Christoph Mueller and Wang Xiao Bin, all of whom do not have any direct or indirect interest in the Share Buy-back. Each of the non-executive Directors, who has been nominated by either Swire Pacific or Air China (each an IU Shareholder), will not form part of the Independent Board Committee.

The letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 23 to 24 of this circular.

Somerley Capital Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard and in particular as to whether the Share Buy-back is, or is not, fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Independent Shareholders and as to voting. The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 52 of this circular.

PUBLIC FLOAT AND CAPITAL MANAGEMENT

Public Float

The Company has a public float of approximately 29.80% of the issued Shares as at the Latest Practicable Date, which includes the Buy-back Shares. Upon completion of the Share Buy-back and assuming that there is no other change in shareholding of the Company, the public float of the Company will be reduced to approximately 22.38% of the issued Shares (excluding treasury Shares, if any) which is below the minimum prescribed percentage of 25% under Rule 8.08 of the Listing Rules.

The Company has applied to the Stock Exchange and the Stock Exchange has granted the Public Float Waiver, subject to the condition that the details and rationale of the Public Float Waiver are disclosed by way of an announcement. Subsequently and up to the Latest Practicable Date, the Company issued an aggregate of 283,447,261 Shares upon the exercise of conversion rights attached to the Bonds, as a result of which the public float of the Company increased from approximately 25.04% as at the date of the Public Float Waiver to approximately 29.80% as at the Latest Practicable Date.

The Stock Exchange has granted the Public Float Waiver on the basis of the reasons set out in the Company's application which include, among others, (a) the unique nature of the Share Buy-back, (b) the Company's market capitalisation satisfies the threshold for a minimum public float waiver ordinarily applied to a new listing, and (c) the reduction is not expected to have a material impact on the market liquidity in the Shares as Qatar Airways has not actively traded the Shares since it first attained a shareholding of approximately 9.99% of the issued Shares in 2018 and the "de facto" public float of the Company available in the market has been significantly lower than 25% since then but the Company has continued to maintain an open and liquid market in the Shares.

For further information regarding the Company's management of its capital structure, please refer to the Announcement.

EGM AND PROXY ARRANGEMENT

The EGM will be held at 2:30 p.m. on Thursday, 12th February 2026 at Ballroom, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong for the Independent Shareholders to consider and, if thought fit, approve the Share Buy-Back. A notice convening the EGM is set out on pages 71 to 72 of this circular. Only the Independent Shareholders will be entitled to vote at the EGM.

As required by the Share Buy-backs Code, Qatar Airways (which beneficially holds in aggregate 643,076,181 Shares, representing approximately 9.57% of the issued Shares as at the Latest Practicable Date) and the parties acting in concert with it will abstain from voting on the resolution to be proposed at the EGM for approving the Buy-back Deed and the Share Buy-back. Save for Qatar Airways and parties acting in concert with it, no Shareholder is required to abstain from voting on the resolution approving the Buy-back Deed and the Share Buy-back. Shares held by any member of the HSBC Group acting in the capacity of an exempt principal trader shall not be voted at the EGM in accordance with the requirement of Rule 35.4 of the Takeovers Code, unless otherwise confirmed with the Executive.

Pursuant to Rule 2 of the Share Buy-Backs Code, all votes of the Independent Shareholders on the resolution at the EGM will be taken by poll.

All forms of proxy must be deposited with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the meeting or any adjourned meeting thereof. In calculating the period mentioned for depositing the form of proxy, no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjourned thereof) should you so wish.

RECORD DATE

The record date for the purpose of determining the entitlements to attend and vote at the EGM will be Thursday, 12th February 2026. The register of members will be closed from Monday, 9th February 2026 to Thursday, 12th February 2026, both days inclusive. In order to be entitled to attend and vote at the EGM, all transfers should 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 Friday, 6th February 2026.

RECOMMENDATION

The Directors (including the independent non-executive Directors who are members of the Independent Board Committee), having taken into account the advice of the Independent Financial Adviser, consider that the Share Buy-Back is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Independent Shareholders. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Buy-back Deed and the Share Buy-back.

Your attention is drawn to the letter of recommendation from the Independent Board Committee to the Independent Shareholders set out on pages 23 to 24 of this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 25 to 52 of this circular, which contain their respective recommendation and advice in respect of the Share Buy-Back. The Independent Shareholders are advised to read the aforesaid letters before deciding as to how to vote on the relevant resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

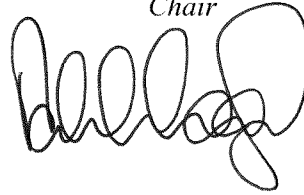
Shareholders and potential investors in the Company should be aware that the proposed Share Buy-back is subject to the conditions set out in this circular, and consequently the proposed Share Buy-back may or may not proceed. Accordingly, Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares and the other securities of the Company.

Yours faithfully,
For and on behalf of the Board

CATHAY PACIFIC AIRWAYS LIMITED

Patrick Healy

Chair

A handwritten signature in black ink, appearing to read 'Patrick Healy', with a large, stylized loop at the end.