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**BOC AVIATION LIMITED**  
**中銀航空租賃有限公司\***

*(Incorporated in the Republic of Singapore with limited liability)*

**Stock code: 2588**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**FINANCIAL HIGHLIGHTS**

Our financial highlights for the six months ended 30 June 2025 are:

- Total revenues and other income of US\$1,242 million, 6% ahead of last year's US\$1,174 million
- Net profit after tax of US\$342 million, a 26% decline compared with US\$460 million in the first half of 2024 which included US\$175 million of non-recurring write-backs related to aircraft in Russia
- Earnings per share of US\$0.49
- The Board declared an interim dividend of US\$0.1476 per share compared with US\$0.1988 per share for the first half of 2024
- Total assets increased to US\$25.6 billion as at 30 June 2025, up from 31 December 2024, with net assets of US\$6.5 billion
- Record first half operating cash flow net of interest of US\$1.0 billion
- Maintained strong liquidity with US\$533 million in cash and cash equivalents in addition to US\$5.5 billion in undrawn committed credit facilities as at 30 June 2025

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*Capitalised terms used but not defined in this announcement are found in pages 31 to 32.*

*Due to rounding, numbers presented throughout this announcement may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.*

\* *For identification purposes only*

	<b>Unaudited</b>	
	<b>6 months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$m</b>	<b>US\$m</b>
<b>Statement of Profit or Loss</b>		
Revenues and other income	<b>1,242</b>	1,174
Costs and expenses	<b>(836)</b>	(665)
Profit before income tax	<b>406</b>	509
<b>Net profit after income tax</b>	<b>342</b>	460
Earnings per share (US\$)	<b>0.49</b>	0.66
	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>US\$m</b>	<b>US\$m</b>
<b>Statement of Financial Position</b>		
Cash and short-term deposits	<b>533</b>	671
Total current assets	<b>1,303</b>	1,735
Total non-current assets	<b>24,265</b>	23,318
<b>Total assets</b>	<b>25,569</b>	25,053
Total current liabilities	<b>2,256</b>	2,929
Total non-current liabilities	<b>16,813</b>	15,761
<b>Total liabilities</b>	<b>19,069</b>	18,690
<b>Net assets</b>	<b>6,499</b>	6,363
<b>Financial Ratios</b>		
Net assets per share (US\$)	<b>9.37</b>	9.17
Gross debt to equity (times)	<b>2.6</b>	2.6
Net debt to equity (times)	<b>2.5</b>	2.5

## PORTFOLIO AND OPERATIONAL HIGHLIGHTS

As at 30 June 2025, the Company had:

- A total fleet of 834 aircraft and engines owned, managed and on order. The average age of aircraft is 5.0 years with an average aircraft remaining lease term of 7.9 years, each weighted by net book value<sup>1</sup>
- Placed the largest aircraft order in its history for 120 new aircraft in the first half of 2025 and lifted its orderbook to 351 aircraft, scheduled for delivery through to the end of 2032
- 24 new aircraft and one engine deliveries in the first half of 2025
- Sold 18 owned aircraft and one engine
- Signed 43 lease commitments in the first half of 2025
- All orderbook aircraft scheduled for delivery before May 2027 placed with airline customers
- A customer base of 92 airlines in 45 countries and regions in the owned and managed portfolios
- Maintained owned aircraft<sup>2</sup> utilisation at 100% for the first half of 2025
- Cash collection from airline customers of 100.7% in the first half of 2025
- A managed fleet comprising 32 aircraft

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<sup>1</sup> Includes finance lease receivables in respect of aircraft on finance leases.

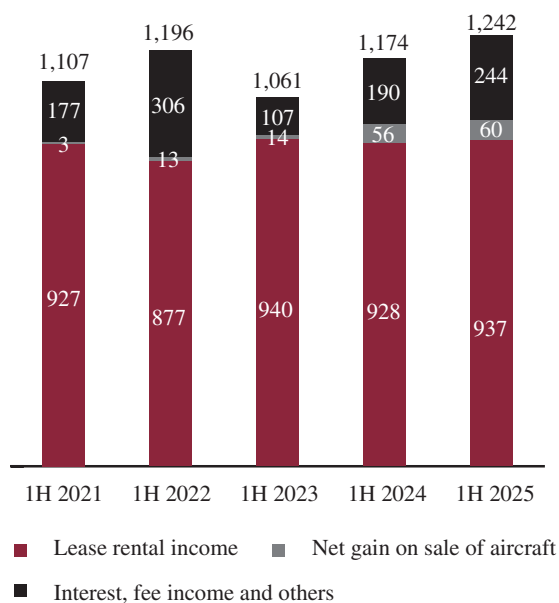
<sup>2</sup> Excludes four owned aircraft in Russia.

**Exhibit 1: Portfolio at 30 June 2025, by number**

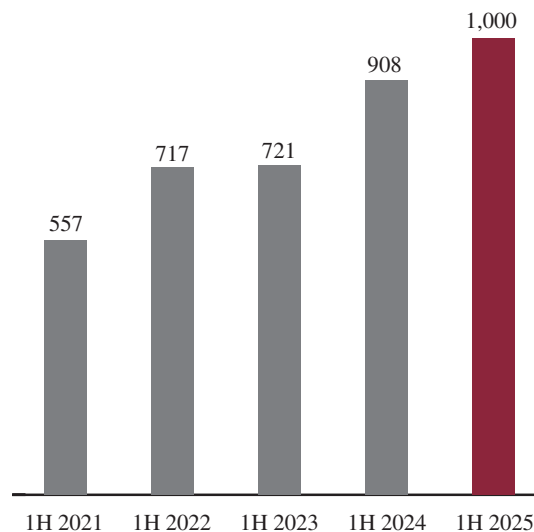
<b>Asset Type</b>	<b>Owned</b>	<b>Managed</b>	<b>On Order<sup>1</sup></b>	<b>Total</b>
Airbus A220 family	23	0	0	23
Airbus A320CEO family	60	13	0	73
Airbus A320NEO family	146	0	211	357
Airbus A330CEO family	8	1	0	9
Airbus A330NEO family	6	0	0	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	53	13	0	66
Boeing 737-8/9	81	0	137	218
Boeing 777-300ER	18	3	0	21
Boeing 787 family	32	1	3	36
Freighters	5	1	0	6
Engines	10	0	0	10
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<b>Grand total</b>	<b>451</b>	<b>32</b>	<b>351</b>	<b>834</b>
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<sup>1</sup> Comprises all purchase commitments, including 10 where an airline customer has exercised the right to acquire the aircraft on delivery.

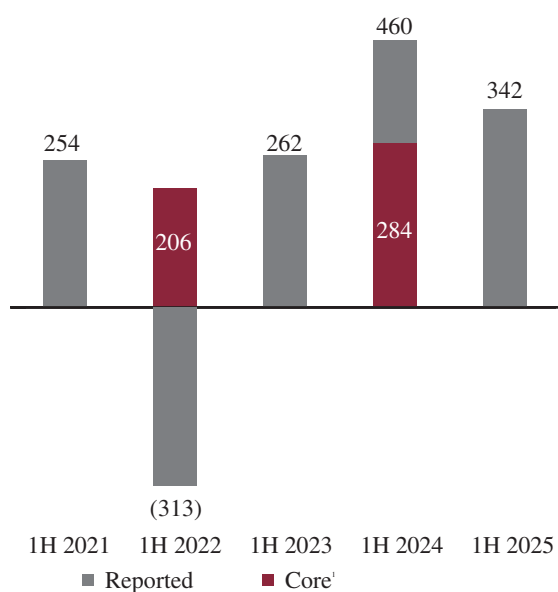
**Exhibit 2: Revenues and other income  
breakdown, US\$m**



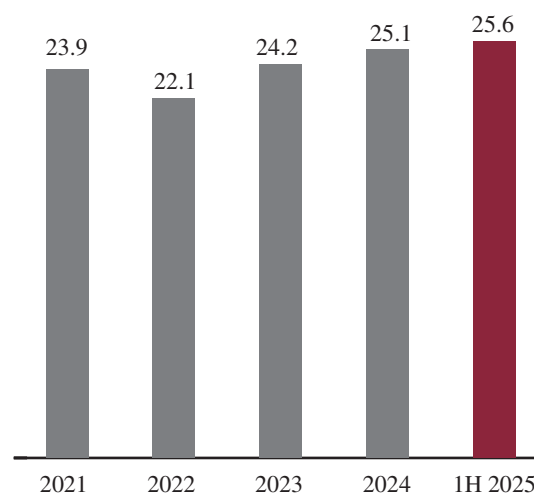
**Exhibit 3: Operating cash flow net  
of interest, US\$m**



**Exhibit 4: Net profit/(loss) after tax, US\$m**



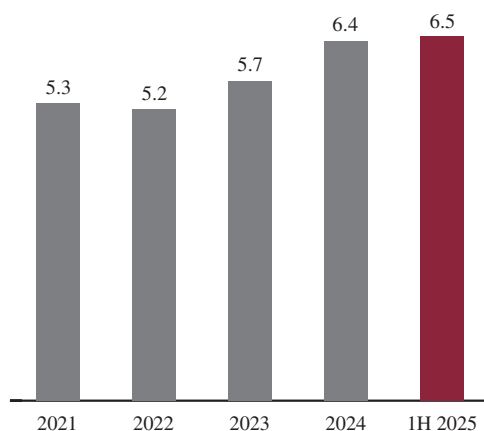
**Exhibit 5: Total assets<sup>2</sup>, US\$b**



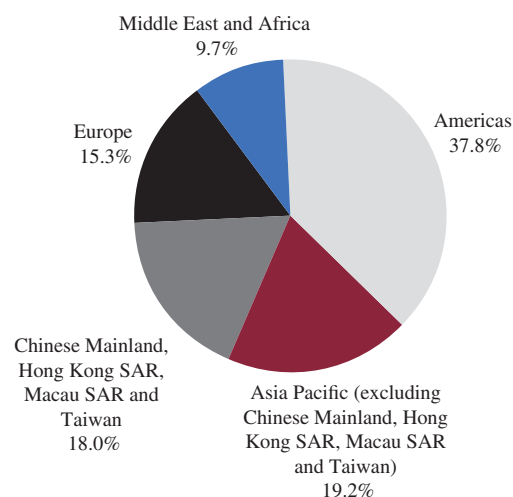
<sup>1</sup> Excludes the net impact of write-downs related to aircraft in Russia.

<sup>2</sup> As at the end of the relevant period.

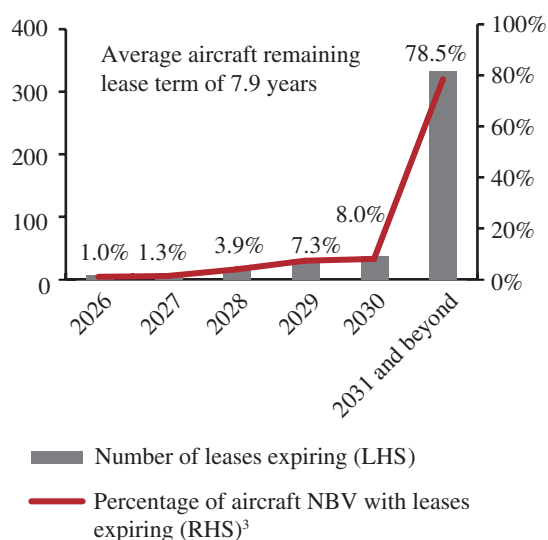
**Exhibit 6: Total equity<sup>1</sup>, US\$b**



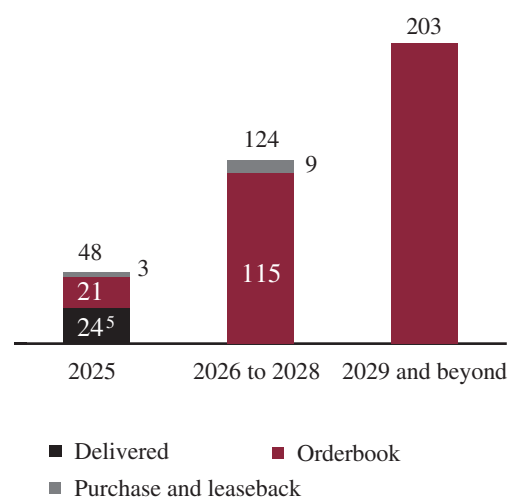
**Exhibit 7: Net book value<sup>2</sup> of portfolio by region**



**Exhibit 8: Lease expiries**



**Exhibit 9: Aircraft deliveries by number of aircraft<sup>4</sup>**



<sup>1</sup> As at the end of the relevant period.

<sup>2</sup> Includes finance lease receivables.

<sup>3</sup> Owned aircraft with leases expiring in each calendar year, weighted by net book value including finance lease receivables.

<sup>4</sup> Based on expected delivery dates as at 30 June 2025.

<sup>5</sup> Aircraft delivered in 1H 2025.

## HALF YEAR BUSINESS REVIEW

Our net profit after tax (“NPAT”) for the first half of 2025 was US\$342 million, with earnings per share of US\$0.49. This represents a decrease from NPAT of US\$460 million and earnings per share of US\$0.66 in 1H 2024. However, our earnings grew by 20% when compared with 1H 2024 core NPAT<sup>1</sup> of US\$284 million.

The Board of Directors has approved an interim dividend of US\$0.1476 per share, representing 30% of our NPAT. This is consistent with the proportion of NPAT that we have distributed as an interim dividend in prior years, reflecting the ongoing strength of our cash flow and profitability. This is lower than last year’s interim dividend of US\$0.1988 per share, which benefited from the non-recurring Russia-related recoveries.

Commercial aviation industry activity levels continued to set new records in the first six months of 2025, with International Air Transport Association (“IATA”)<sup>2</sup> members generating passenger traffic growth of 5%. All major geographies recorded flat or better traffic, with those located in Asia expanding the fastest. This growth is driving average industry load factor above 82% in a supply-constrained environment. The cargo market also demonstrated growth, with demand rising 3% in 1H 2025.

Robust demand growth and reduced costs, reflecting lower oil prices and a weaker US dollar, are forecast to produce around US\$36 billion in profits for IATA members in 2025, their second highest amount ever. This should sustain the improvement in our customers’ credit quality and their appetite for growth and replacement aircraft. All of our new aircraft scheduled for delivery, and those with leases expiring, before 2Q 2027 have been placed, extended, or contracted for sale to their current airline operator, providing significant visibility over future revenues and cash flows.

The stability and predictability of aircraft deliveries has improved during the first half, while the availability of new aircraft still lags demand. Boeing has increased its deliveries by 60% compared to the first six months of last year, although engine shortages have particularly affected Airbus, whose deliveries are down 5% on 1H 2024. We currently expect the total value of aircraft deliveries to exceed US\$100 billion in 2025, up from US\$78 billion in 2024, and the highest since 2019.

Our company delivered 24 new aircraft to airline customers during 1H 2025, up from 18 last year and we expect to deliver at least a similar number in the second half. We also placed the largest order for new aircraft in our history for 70 new Airbus A320NEO family and 50 Boeing 737-8 aircraft. We added 143 delivery positions to our orderbook in 1H 2025, taking it to a total of 351 aircraft. Our future delivery stream is one of the largest of any aircraft lessor and locks in future core growth in our asset base.

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<sup>1</sup> Excludes the net impact of write-downs related to aircraft in Russia.

<sup>2</sup> Air Passenger Market Analysis (June 2025).

We ended the first half of 2025 with an owned fleet of 441 aircraft, which had an average age of 5.0 years and a weighted average remaining lease term of 7.9 years. We also recorded our second consecutive quarter of 100% utilisation, with all of our aircraft on lease for the first time in over five years. This is a testament to the strength of demand amongst our airline customers, our risk management and the credit quality of our portfolio.

Engine related issues and associated aircraft shortages continue to support high lease rates and valuations for all aircraft. Aircraft appraiser, Ascend's indices of narrow and widebody values are at record levels and have both risen more than 50% since their 2021 lows and more than 10% in the last 12 months.

The impact of rising aircraft values for our company has been two-fold: firstly, we have recorded no aircraft impairments for the first time since 2019 and secondly, the unencumbered value of our operating leased fleet has continued to rise relative to its book value. As at 30 June 2025, the market value of our fleet exceeded its book value by 15%, a difference of US\$2.8 billion.

We have capitalised on the strength in the used aircraft market to dispose of typically older aircraft with lower yielding leases. In 1H 2025, we sold 18 aircraft and one engine (including four Boeing 777-300ERs), up on the 15 aircraft sales made the previous year. These lower yielding assets had an average age of 10.4 years, which was more than twice as old as the remaining fleet and produced gains on sale of US\$60 million. These were up 8% on 1H 2024 and featured an 8.7% margin, in line with our long run average.

Total revenues and other income were US\$1.2 billion in 1H 2025, a 6% increase compared with 1H 2024, with all business lines demonstrating improvement. Operating lease income rose to US\$937 million and continues to account for over 75% of our income. The improved delivery volume of aircraft and the timing and composition of aircraft sales drove our lease rate factor to 10.3%, as compared with 9.8% in the first half of 2024. Net lease yield advanced to 7.5% from 7.0% in 1H 2024.

Finance lease income continued to climb, up 36% to US\$130 million. Following 2024's addition of 25 finance leased aircraft to our fleet, we introduced a further five in the first half and currently expect to deliver another two over the balance of 2025.

Reflecting the better total leasing revenue performance, our core lease rental contribution<sup>1</sup> rose 24% to US\$342 million, a margin of 32%.

Other interest and fee income of US\$65 million rose 80% as we significantly grew our fees from pre-delivery payment financing. Recent transactions such as those announced for a combined 18 aircraft with Avianca and Gulf Air should drive ongoing contribution improvements.

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<sup>1</sup> Core lease rental contribution is defined as operating lease rental income and finance lease interest income less aircraft depreciation, finance expenses apportioned to operating lease rental income and finance lease interest income, amortisation of deferred debt issue costs and lease transaction closing costs.



In 1H 2024 we had a US\$175 million impairment charge reversal in respect of aircraft that were recovered from Russia, which did not recur this year and largely accounted for the 26% increase in total costs. Depreciation was again little changed, on account of the stable net book value of the fleet. Interest expense rose by 2% on higher debt levels at 30 June 2025, while average cost of funds was unchanged at 4.6%.

Our effective tax rate increased to 15.8% from 9.7% in the first half of 2024 and is expected to remain higher going forward as the impact of global minimum tax rates is reflected in our earnings. Absent this impact, our net profit would have been US\$16 million higher.

Total assets of US\$25.6 billion rose US\$516 million compared with 31 December 2024 and increased 5% on June 2024. Aircraft assets comprised the majority of this, with the net book value of operating leased aircraft together with the book value of finance lease receivables totalling US\$22.2 billion, up on last year's US\$21.8 billion.

Operating cash flow net of interest of US\$1.0 billion was up 10% compared with the first half of last year, reflecting our core profitability and a collection rate that continues to exceed 100% as our customers repay deferrals made between 2020 and 2022. This also saw trade receivables due from airline customers fall 17% to US\$88 million compared to 31 December 2024.

First half capex of US\$1.9 billion was US\$1.1 billion higher than 1H 2024. We had US\$1.3 billion of committed capital expenditure at 30 June 2025 for delivery in second half of 2025 and see additional pre-delivery payment and purchase and lease back financing as means to achieve our full year goals.

We continued to receive strong support from the funding markets. During 1H 2025, we issued a US\$500 million three-year note, featuring the lowest spread for any global lessor issuer in 2025 and the lowest in the Company's history. Additionally, we closed US\$1.9 billion in new funding from the bank market, including a record term loan of US\$1.5 billion, all at attractive spreads.

Looking forward, our future committed revenue for delivered and yet-to-be-delivered aircraft was US\$16.9 billion as at 30 June 2025 and has progressively improved over the last six quarters. This reflects the combination of a rising number of aircraft deliveries and improved lease rates on future placements.

Board and senior management composition is little changed in 2025. Ms. Jin Yan was appointed to the Board in February, succeeding Ms. Chen Jing, whom we thank for her service. No other changes were recorded. Our company remains diverse at all levels, with four of our 11 Board directors, 27% of management, and 49% of the wider company population being female.

During the first half, we participated in nine corporate social responsibility initiatives in the communities where our offices are based. Over 130 employees – representing approximately 67% of our global workforce – have actively contributed to a diverse range of activities, including food preparation and distribution to vulnerable communities, gardening projects at special needs schools, and participation in J.P. Morgan's Corporate Challenge in Singapore and New York which supports disability-related causes and the Central Park Conservancy. Additional initiatives included the redistribution of shared bicycles, and donation of professional workwear to support employment readiness for unemployed women. In April, we donated US\$20,000 to Airlink to assist with its Myanmar earthquake relief efforts.

## BUSINESS OVERVIEW

BOC Aviation Limited is a leading global aircraft operating leasing company and is the largest aircraft operating leasing company headquartered in Asia. Our primary source of revenue is from long-term US dollar-denominated leases contracted with our globally diversified portfolio of airlines.

Our senior management team is highly experienced and international, with most of the team having extensive experience working in the aviation and banking industries across multiple jurisdictions.

From our inception to 30 June 2025, we have:

- Purchased and committed to purchase over 1,300 aircraft with an aggregate purchase price in excess of US\$75 billion
- Executed more than 1,500 leases with over 190 airlines in more than 60 countries and regions
- Raised more than US\$48 billion in debt financing
- Sold over 480 owned and managed aircraft

As at 30 June 2025 our fleet comprised 483 owned and managed aircraft and engines on lease to 92 customers in 45 countries and regions. We also had commitments to acquire 351 aircraft through to the end of 2032. All of our orderbook comprises the latest technology aircraft, principally single-aisle A320NEO family and 737-8 aircraft. As at 30 June 2025, more than 80% of our owned portfolio is the latest technology aircraft.

We benefit from a low average cost of debt, which was 4.6% during the first half of 2025 supported by our strong investment grade credit ratings, which were reaffirmed as A- by both Fitch Ratings and S&P Global Ratings in June 2025, and by our access to diverse debt funding sources. Unsecured notes issued in the debt capital markets and unsecured loan facilities from third-party commercial banks are our primary sources of debt funding. We enjoy strong and committed support from Bank of China, a top four global bank by total assets as at 31 December 2024<sup>1</sup>. Bank of China Group has provided us with an aggregate of US\$3.5 billion committed unsecured revolving credit facilities that mature in December 2026, of which US\$2.7 billion remained unutilised as at 30 June 2025. Our cash and cash equivalents and undrawn credit facilities gave us total available liquidity of US\$6.1 billion as at 30 June 2025.

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<sup>1</sup> Sourced from S&P Global Market Intelligence, 15 April 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### STATEMENT OF PROFIT OR LOSS ANALYSIS

In the six months ended 30 June 2025, our net profit after tax was US\$342 million, a decrease of 25.8% from the same period last year which included the US\$170 million write-back of aircraft impairment.

Our selected financial data and changes to our consolidated statement of profit or loss are set out below:

	<b>Unaudited</b>			
	<b>6 months ended 30 June</b>			
	<b>2025</b>	2024	Change	Change
	<b>US\$'000</b>	US\$'000	US\$'000	%
Lease rental income	<b>937,059</b>	927,742	9,317	1.0
Interest income from finance leases	<b>130,197</b>	95,988	34,209	35.6
Other interest and fee income	<b>65,239</b>	36,317	28,922	79.6
	<b>1,132,495</b>	1,060,047	72,448	6.8
Other sources of income:				
Net gain on sale of aircraft	<b>60,329</b>	55,868	4,461	8.0
Other income	<b>49,033</b>	58,073	(9,040)	(15.6)
<b>Total revenues and other income</b>	<b>1,241,857</b>	1,173,988	67,869	5.8
Depreciation of property, plant and equipment	<b>390,201</b>	399,084	(8,883)	(2.2)
Write-back of impairment of aircraft	—	(169,900)	169,900	100.0
Finance expenses	<b>365,640</b>	357,591	8,049	2.3
Staff costs	<b>38,779</b>	34,665	4,114	11.9
Impairment/(Write-back of) losses on financial assets	<b>5,948</b>	(1,345)	7,293	542.2
Other operating costs and expenses	<b>35,713</b>	44,738	(9,025)	(20.2)
<b>Total costs and expenses</b>	<b>(836,281)</b>	(664,833)	171,448	25.8
<b>Profit before income tax</b>	<b>405,576</b>	509,155	(103,579)	(20.3)
Income tax expense	<b>(64,073)</b>	(49,156)	14,917	30.3
<b>Profit for the period</b>	<b>341,503</b>	459,999	(118,496)	(25.8)

## **Revenues and other income**

Our total revenues and other income increased by 5.8% to US\$1,242 million in 1H 2025 compared with US\$1,174 million in 1H 2024, primarily due to higher interest income from finance leases and other interest and fee income as described below.

### ***Lease rental income***

Our lease rental income increased by 1.0% to US\$937 million in 1H 2025 compared with US\$928 million in 1H 2024. During 1H 2025, we added 19 aircraft on operating lease and sold 18 aircraft. The lease rental yield<sup>1</sup> for aircraft subject to operating leases was 10.3% for 1H 2025 compared with 9.8% for 1H 2024.

### ***Interest income from finance leases***

Our interest income from finance leases increased by 35.6% to US\$130 million in 1H 2025 compared with US\$96 million in 1H 2024. Our aircraft on finance leases increased from 59 aircraft as at 30 June 2024 to 72 aircraft as at 31 December 2024, and a further increase to 77 aircraft as at 30 June 2025.

The lease rental yield<sup>2</sup> for aircraft on finance leases was 6.9% for 1H 2025, compared with 7.2% for 1H 2024 mainly due to lower US Dollar interest rates applicable to floating rate finance leases.

### ***Other interest and fee income***

Our other interest and fee income, mainly in respect of fees from pre-delivery payment transactions and interest income, was US\$65 million in 1H 2025 compared with US\$36 million in 1H 2024. The increase was primarily due to higher fees from pre-delivery payment transactions.

### ***Net gain on sale of aircraft***

Net gain on sale of aircraft increased by 8.0% to US\$60 million in 1H 2025 compared with US\$56 million in 1H 2024 mainly due to 18 aircraft being sold in 1H 2025 compared with 15 aircraft in 1H 2024.

### ***Other income***

Other income was US\$49 million in 1H 2025 compared with US\$58 million in 1H 2024. Other income mainly comprises amounts paid by manufacturers, insurance settlements and the release of unutilised maintenance reserves and security deposits.

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<sup>1</sup> Lease rental yield for operating leases is defined as annualised operating lease rental income divided by the average of aircraft net book value (including aircraft assets held for sale).

<sup>2</sup> Lease rental yield for finance leases refers to the average effective interest rate per annum.

## **Costs and expenses**

Costs and expenses increased by 25.8% to US\$836 million in 1H 2025 from US\$665 million in 1H 2024 mainly due to write-back of aircraft impairment recognised in 1H 2024 as described below.

### ***Write-back of impairment of aircraft***

The write-back of aircraft impairment in 1H 2024 was mainly in respect of two aircraft that were recovered from Russia.

### ***Finance expenses***

Finance expenses increased by 2.3% to US\$366 million in 1H 2025 from US\$358 million in 1H 2024 mainly due to an increase in loans and borrowings to US\$16.9 billion as at 30 June 2025 from US\$16.2 billion as at 30 June 2024.

### ***Staff costs***

Staff costs increased by 11.9% to US\$39 million in 1H 2025 from US\$35 million in 1H 2024 mainly due to higher provisions for variable bonuses in 1H 2025 compared with 1H 2024.

### ***Impairment/(Write-back of) losses on financial assets***

Impairment losses on financial assets were US\$6 million in 1H 2025 compared with a write-back of impairment losses of US\$1 million in 1H 2024.

### ***Other operating costs and expenses***

Other operating costs and expenses mainly comprise repossession and transition costs, amortisation of deferred debt issue costs, general and administration costs, taxes (other than income tax expense) and professional fees. The decrease in these costs of 20.2% to US\$36 million in 1H 2025 from US\$45 million in 1H 2024 was mainly due to lower provision for costs in relation to the transition and repossession of aircraft.

## **Income tax expense**

Income tax expense increased by 30.3% to US\$64 million in 1H 2025 from US\$49 million in 1H 2024, primarily due to additional tax provisions relating to the imposition of minimum corporate tax rules in Singapore. Accordingly, our effective tax rate was 15.8% in 1H 2025 and 9.7% in 1H 2024.

## **Profit for the period**

As a result of the foregoing, our profit after tax decreased by 25.8% to US\$342 million in 1H 2025 from US\$460 million in 1H 2024.

Since the publication of our audited financial statements for the year ended 31 December 2024 on 13 March 2025, there have been no material changes to our business.

## STATEMENT OF FINANCIAL POSITION ANALYSIS

Our total assets increased by 2.1% to US\$25.6 billion as at 30 June 2025 from US\$25.1 billion as at 31 December 2024. Our total equity increased by 2.2% to US\$6.5 billion as at 30 June 2025 compared with US\$6.4 billion as at 31 December 2024.

Our selected financial data and changes to our consolidated statement of financial position are set out below:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000	Change US\$'000	Change %
Property, plant and equipment and assets held for sale	20,587,178	20,138,700	448,478	2.2
Finance lease receivables	3,971,667	3,746,457	225,210	6.0
Trade receivables	87,572	105,499	(17,927)	(17.0)
Cash and short-term deposits	533,233	671,331	(138,098)	(20.6)
Derivative financial instruments	1,223	16,239	(15,016)	(92.5)
Other assets	387,630	374,765	12,865	3.4
<b>Total assets</b>	<b>25,568,503</b>	<b>25,052,991</b>	<b>515,512</b>	<b>2.1</b>
Loans and borrowings	16,877,074	16,573,763	303,311	1.8
Maintenance reserves	596,110	752,911	(156,801)	(20.8)
Security deposits and non-current deferred income	400,641	271,906	128,735	47.3
Derivative financial instruments	25,584	22,675	2,909	12.8
Trade and other payables	257,936	206,100	51,836	25.2
Deferred income tax liabilities	780,623	740,205	40,418	5.5
Other liabilities	131,069	122,887	8,182	6.7
<b>Total liabilities</b>	<b>19,069,037</b>	<b>18,690,447</b>	<b>378,590</b>	<b>2.0</b>
<b>Net assets</b>	<b>6,499,466</b>	<b>6,362,544</b>	<b>136,922</b>	<b>2.2</b>
Share capital	1,157,791	1,157,791	—	—
Retained earnings	5,335,041	5,178,988	156,053	3.0
Statutory reserves	1,550	1,401	149	10.6
Share-based compensation reserves	19,547	13,034	6,513	50.0
Fair value reserves	(2,116)	—	(2,116)	nm
Hedging reserves	(12,347)	11,330	(23,677)	(209.0)
<b>Total equity</b>	<b>6,499,466</b>	<b>6,362,544</b>	<b>136,922</b>	<b>2.2</b>

nm: Not meaningful

### **Property, plant and equipment and assets held for sale**

We had property, plant and equipment and assets held for sale of US\$20.6 billion as at 30 June 2025, which increased by 2.2% from US\$20.1 billion as at 31 December 2024 mainly due to the addition of 19 owned aircraft, partially offset by 18 aircraft sold in 1H 2025.

Aircraft, which constituted the largest component, was US\$18.2 billion as at 30 June 2025 and US\$18.0 billion as at 31 December 2024, respectively representing 88.4% and 89.5% of our total property, plant and equipment and assets held for sale as at the same dates.

### **Finance lease receivables**

Finance lease receivables increased by 6.0% to US\$4.0 billion as at 30 June 2025 from US\$3.7 billion as at 31 December 2024 mainly due to the addition of five aircraft on finance leases.

### **Trade receivables**

Trade receivables decreased by 17.0% to US\$88 million as at 30 June 2025 from US\$105 million as at 31 December 2024 mainly due to improvement in cash collections from lessees. As at 30 June 2025, net of an allowance of US\$12 million for expected credit losses, we had trade receivables of US\$86 million that were contractually deferred by mutual agreement, not overdue and generally interest bearing, and an amount of US\$0.2 million which was past due but covered by collateral held.

### **Cash and short-term deposits**

Our cash and short-term deposits, which were mainly denominated in US Dollar, decreased to US\$533 million as at 30 June 2025 from US\$671 million as at 31 December 2024. This decrease was mainly due to net cash outflows for capital expenditure and financing activities being greater than net cash inflows from operating activities and proceeds from sale of property, plant and equipment during 1H 2025.

### **Derivative financial instruments**

Our assets and liabilities with respect to derivative financial instruments represent unrealised gains and losses, respectively, which were recognised in the hedging reserve in equity, on the cross-currency interest rate swap and interest rate swap contracts that we contracted as at 30 June 2025 and 31 December 2024, respectively. Under assets, our derivative financial instruments decreased to US\$1 million as at 30 June 2025 from US\$16 million as at 31 December 2024. Under liabilities, our derivative financial instruments increased to US\$26 million as at 30 June 2025 from US\$23 million as at 31 December 2024. The movements in derivative financial assets and liabilities were primarily due to changes in mark-to-market values of the derivative financial instruments and net interest rate receipts under swaps that were settled in 1H 2025. Accordingly, the unrealised loss in the hedging reserve was US\$12 million as at 30 June 2025 compared with an unrealised gain of US\$11 million as at 31 December 2024.

### **Loans and borrowings**

Our loans and borrowings increased by 1.8% to US\$16.9 billion as at 30 June 2025 from US\$16.6 billion as at 31 December 2024 mainly due to the issuance of US\$500 million of notes under our Global Medium Term Note Program, utilisation of US\$1.7 billion under term loan facilities and increase in borrowings of US\$451 million from revolving credit facilities. This was partially offset by repayment of US\$2.4 billion in term loans and medium term notes in 1H 2025.

### **Maintenance reserves**

Our maintenance reserves decreased by 20.8% to US\$596 million as at 30 June 2025 from US\$753 million as at 31 December 2024 primarily due to the sale of aircraft with maintenance reserves.

### **Security deposits and non-current deferred income**

Our security deposits and non-current deferred income increased by 47.3% to US\$401 million as at 30 June 2025 from US\$272 million as at 31 December 2024 mainly due to cash received from lessees in accordance with lease agreements.

### **Trade and other payables**

Our trade and other payables increased by 25.2% to US\$258 million as at 30 June 2025 compared with US\$206 million as at 31 December 2024 primarily due to the increase in maintenance reserve payables partially offset by lower staff costs related accruals.

### **Deferred income tax liabilities**

Our deferred income tax liabilities increased by 5.5% to US\$781 million as at 30 June 2025 from US\$740 million as at 31 December 2024 due to additional deferred tax provisions made on the Group's 1H 2025 profits.

### **Total equity**

Total equity increased by 2.2% to US\$6.5 billion as at 30 June 2025, compared with US\$6.4 billion as at 31 December 2024. The increase in total equity was mainly attributable to profit for the period partially offset by payment of dividends amounting to US\$185 million.

### **Contingent liabilities**

Other than guarantees for certain loans extended to our subsidiary companies and for obligations under certain lease agreements entered into by our subsidiary companies as disclosed in Note 23 to the interim condensed consolidated financial statements as set out in the Appendix (Interim Financial Statements) hereto, the Company had no material contingent liabilities as at 30 June 2025.



## OTHER INFORMATION

### **Liquidity and capital resources**

Our primary sources of liquidity comprise cash generated from aircraft leasing operations, proceeds from aircraft sales and borrowings. Our business is capital intensive, requiring significant investments and borrowings in order to grow and to maintain a young aircraft fleet. The cash flows from our operations have historically provided a significant portion of the liquidity for these investments. Operating cash flow net of interest paid rose 10.1% to US\$1.0 billion in the first six months of 2025 compared with US\$908 million in 1H 2024.

In the first half of 2025, we closed total loan facilities of US\$1.9 billion and issued US\$500 million of notes under our Global Medium Term Note Program. We utilised US\$1.7 billion under term loan facilities, including US\$760 million which was raised in the previous year. We also had US\$2.2 billion utilised under our revolving credit facilities as at 30 June 2025 compared with US\$1.7 billion of utilisation under these facilities as at 31 December 2024. Our liquidity remains strong, with cash and short-term deposits of US\$533 million and US\$5.5 billion in undrawn committed credit facilities as at 30 June 2025.

### **Indebtedness**

Our gearing as at 30 June 2025 and 31 December 2024 is as set out in the table below:

	<b>30 June 2025 US\$m</b>	<b>31 December 2024 US\$m</b>
Gross debt	<b>16,967</b>	16,668
Net debt	<b>16,434</b>	15,997
Total equity	<b>6,499</b>	6,363
Gross debt to equity (times)	<b>2.6</b>	2.6
Net debt to equity (times)	<b>2.5</b>	2.5

*Gross debt is defined as loans and borrowings before adjustments for deferred debt issue costs, fair values, revaluations and discounts/premiums on medium term notes. Total equity refers to the equity attributable to Shareholders. Gross debt to equity is calculated by dividing gross debt by total equity.*

*Net debt is defined as gross debt less cash and short-term deposits.*

A description of our indebtedness is set out below:

	30 June 2025 US\$m	31 December 2024 US\$m
<b>Secured</b>		
Term loans	56	59
<b>Total secured debt</b>	<b>56</b>	<b>59</b>
<b>Unsecured</b>		
Term loans	7,155	5,945
Revolving credit facilities	2,156	1,705
Medium term notes	7,600	8,959
<b>Total unsecured debt</b>	<b>16,911</b>	<b>16,609</b>
<b>Total indebtedness</b>	<b>16,967</b>	<b>16,668</b>
Less: deferred debt issue costs, fair values, revaluations and discounts/premiums on medium term notes	(90)	(94)
<b>Total debt</b>	<b>16,877</b>	<b>16,574</b>

*Indebtedness comprises our loans and borrowings before adjustments for deferred debt issue costs, fair values, revaluations and discounts/premiums on medium term notes.*

Of the total indebtedness, the amount of debt at fixed rates, including floating rate debt swapped to fixed rate liabilities, amounted to US\$11.5 billion as at 30 June 2025 compared with US\$12.1 billion as at 31 December 2024.

As at 30 June 2025, our debt repayment profile was as follows:

**Debt repayment profile**

	<b>30 June 2025</b>
	<b><i>US\$b</i></b>
2H 2025	<b>0.3</b>
2026	<b>2.6</b>
2027	<b>3.0</b>
2028 and beyond	<b>11.1</b>
	<hr/>
<b>Total</b>	<b>17.0</b>
	<hr/> <hr/>

**Foreign currency risk**

Our transactional currency exposures mainly arise from borrowings that are denominated in currencies other than US Dollar, our functional currency.

All loans and borrowings that are denominated in Australian Dollar and Hong Kong Dollar are swapped into US Dollar. To eliminate foreign currency exposure that may arise, we utilise cross-currency interest rate swap contracts to hedge our Australian Dollar and Hong Kong Dollar denominated financial liabilities. Such contracts are entered with counterparties that are rated at least A- by S&P Global Ratings. Under these agreements, we receive foreign currency amounts sufficient to meet the obligations in foreign currency borrowings and pay US Dollar to the counterparties.

## Future plans for material investments

Our estimated cash outflows based on aircraft capital expenditure commitments as at 30 June 2025 are set out below:

	30 June 2025 <i>US\$b</i>
2H 2025	1.3
2026	1.7
2027	2.3
2028 and beyond	14.5
<b>Total</b>	<b>19.8</b>

The table above is based on estimated contractual capital expenditure commitments as at 30 June 2025. The capital expenditure figures for each period include anticipated escalation and are net of advance payments made before 30 June 2025.

## Sources of funding

Our aircraft purchase commitments as at 30 June 2025 are expected to be financed through a range of funding sources, including (a) cash flow generated from our operating activities, (b) proceeds from our notes issuance from debt capital markets, (c) amounts drawn down under our various bank financing facilities, and (d) net proceeds from sales of aircraft.

We benefit from our strong investment grade corporate credit ratings of A- from both Fitch Ratings and S&P Global Ratings and from our access to diverse debt funding sources. Our primary sources of debt funding are unsecured notes and unsecured loan facilities. We have been an issuer of notes since 2000 and continue to regularly issue notes under our US\$15 billion Global Medium Term Note Program. We also enjoy access to and continued support from a large group of lenders comprising 56 financial institutions. As at 30 June 2025, we have US\$5.5 billion in undrawn committed unsecured credit facilities, including US\$2.7 billion from Bank of China Group which matures in December 2026. US\$0.8 billion of the US\$3.5 billion committed unsecured revolving credit facilities provided by Bank of China Group is utilised as of 30 June 2025.

## **Employees**

As at 30 June 2025 and 30 June 2024, we had 208 and 203 employees, respectively, who were engaged in the operation and management of our business.

We provide certain benefits to our employees including retirement, as well as health, life, disability and accident insurance coverage. Opportunities for career development and training are also provided to employees. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination.

We set targets for our employees based on their position and role and regularly assess their performance. The results of such assessments are used in their salary reviews, bonus awards and assessment for promotions. The employee remuneration package generally comprises a basic salary and a discretionary bonus element. Employee bonuses in respect of financial years from 2022 to 2025 (inclusive) comprise two incentive plans as follows: (i) our short-term incentive plan which is cash-based, and is payable to employees when certain key performance indicator targets for each year are met, and (ii) our share-based long-term incentive plan, under which a bonus is awarded to selected employees in the form of Restricted Share Units (RSUs), fulfilled through the purchase of Shares in the secondary market by a trustee after the announcement of results for the relevant financial year in which performance occurred. Upon vesting, RSUs will generally be satisfied by the transfer of Shares from the trustee to the employee. As at 30 June 2025, the unvested long-term incentives include grants from financial years 2022 to 2024, which are share-based. Subject to the terms and conditions of the RSUs and the fulfilment of all conditions to vesting, the Shares relating to the RSUs will vest approximately three to four years (depending on the satisfaction of certain conditions) commencing from the date of grant.

None of our employees are represented by a union or collective bargaining agreement. We believe we have good employment relationships with our employees.

For the six months ended 30 June 2025 and 30 June 2024, our staff costs were US\$39 million and US\$35 million respectively, representing approximately 3.1% and 3.0% of the Group's total revenues and other income for each period.

## **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

During the six months ended 30 June 2025, there was no material acquisition or disposal of subsidiaries and affiliated companies by the Company.

## **GENERAL INFORMATION**

### **Dividend policy**

The Company's dividend policy is to distribute up to 35% of net profit after tax for a full financial year. The Board has absolute discretion as to whether to declare any interim dividend for any year, and if it decides to declare an interim dividend, how much to declare.

### **Interim dividend**

Consistent with the dividend policy, the Board of Directors have declared an interim dividend of US\$0.1476 per Share for the six months ended 30 June 2025. The interim dividend will be paid in Hong Kong Dollar (converted from US Dollar at the prevailing market rate at least one week before the payment date) on 13 October 2025 to Shareholders registered at the close of business on the record date, being 26 September 2025. This declared interim dividend is not reflected as a dividend payable in the Interim Financial Statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2025.

The register of members will be closed from 24 September 2025 to 26 September 2025 (both dates inclusive), during which no transfer of Shares will be effected. In order to qualify for entitlement to the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on 23 September 2025.

## Substantial interests in Share capital

The register maintained by the Company pursuant to Section 336 of the SFO recorded that, as at 30 June 2025, the following parties had the following interests (as defined in the SFO) in the Company set opposite their respective names:

Name of Shareholder	Capacity	Nature of interest	Number and class of Shares held	Approximate percentage of total issued share capital (%)
Central Huijin Investment Limited	Interest of controlled corporation	Long position	485,807,334 (Ordinary)	70
BOC	Interest of controlled corporation	Long position	485,807,334 (Ordinary)	70
BOCGI	Interest of controlled corporation	Long position	485,807,334 (Ordinary)	70
Sky Splendor Limited	Beneficial owner	Long position	485,807,334 (Ordinary)	70
Pandanus Associates Inc.	Interest of controlled corporation	Long position	41,574,966 (Ordinary)	5.99
	Interest of controlled corporation	Short position	33,100 (Ordinary)	0.01
Pandanus Partners L.P.	Interest of controlled corporation	Long position	41,574,966 (Ordinary)	5.99
	Interest of controlled corporation	Short position	33,100 (Ordinary)	0.01
FIL Limited	Beneficial Owner/Interest of controlled corporation	Long position	41,574,966 (Ordinary)	5.99
	Interest of controlled corporation	Short position	33,100 (Ordinary)	0.01
FIL Financial Services Holdings Limited	Beneficial Owner/Interest of controlled corporation	Long position	41,573,966 (Ordinary)	5.99
	Interest of controlled corporation	Short position	33,100 (Ordinary)	0.01
FIL Financial Services Holdings 2 Limited	Beneficial Owner/Interest of controlled corporation	Long position	41,573,966 (Ordinary)	5.99
	Interest of controlled corporation	Short position	33,100 (Ordinary)	0.01
FIL Investment Management (Singapore) Limited	Beneficial Owner/Interest of controlled corporation	Long position	34,930,664 (Ordinary)	5.03
	Interest of controlled corporation	Short position	33,100 (Ordinary)	0.01

*Notes:*

1. BOCGI holds the entire issued share capital of Sky Splendor Limited. Accordingly, BOCGI is deemed to have the same interests in the Company as Sky Splendor Limited for the purpose of the SFO. Sky Splendor Limited directly holds 485,807,334 Shares.
2. BOC holds the entire issued share capital of BOCGI, which in turn holds the entire issued share capital of Sky Splendor Limited. Accordingly, BOC is deemed to have the same interests in the Company as BOCGI and Sky Splendor Limited for the purpose of the SFO. Sky Splendor Limited directly holds 485,807,334 Shares.
3. Central Huijin Investment Limited holds the controlling stake in the equity capital of BOC. Accordingly, for the purpose of the SFO, Central Huijin Investment Limited is deemed to have the same interest in the Company as BOC.
4. Pandanus Partners L.P. controls more than one-third of voting rights in FIL Limited. Accordingly, for the purpose of the SFO, Pandanus Partners L.P. is deemed to have the same interest in the Company as FIL Limited.
5. Pandanus Associates Inc. holds the entire issued share capital of Pandanus Partners L.P. Accordingly, for the purpose of the SFO, Pandanus Associates Inc. is deemed to have the same interest in the Company as Pandanus Partners L.P.
6. FIL Limited is deemed to be interested in 41,574,966 Shares (long position) held through its controlled corporations for the purpose of the SFO. FIL Limited is deemed to be interested in 33,100 Shares (short position) held through its controlled corporations for the purpose of the SFO.
7. FIL Financial Services Holdings Limited is deemed to be interested in 41,573,966 Shares (long position) held through its controlled corporations for the purpose of the SFO. FIL Financial Services Holdings Limited is deemed to be interested in 33,100 Shares (short position) held through its controlled corporations for the purpose of the SFO.
8. FIL Financial Services Holdings 2 Limited is deemed to be interested in 41,573,966 Shares (long position) held through its controlled corporations for the purpose of the SFO. FIL Financial Services Holdings Limited is deemed to be interested in 33,100 Shares (short position) held through its controlled corporations for the purpose of the SFO.
9. FIL Investment Management (Singapore) Limited is deemed to be interested in 34,930,664 Shares (long position) both directly held as beneficial owner and indirectly held through its controlled corporations for the purpose of the SFO. FIL Investment Management (Singapore) Limited is deemed to be interested in 33,100 Shares (short position) as beneficial owner for the purpose of the SFO.

Save as disclosed above and so far as the Directors are aware as at 30 June 2025, no other persons or corporations had 5% or more interests or short positions in the Shares or underlying shares of the Company which were recorded in the register maintained by the Company under section 336 of the SFO.



## Directors' and Chief Executive's interests in Shares, underlying Shares and debentures

As at 30 June 2025, interests of the Directors and the Chief Executive Officer and their respective associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO and Section 164 of the Singapore Companies Act 1967, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2025 were as follows:

### Long position (Ordinary Shares)

Name of Director	Number of underlying Shares held under equity derivatives (Note)	Approximate percentage of total issued share capital (%)
Zhang Xiaolu	307,233	0.04
Steven Matthew Townend	616,511	0.09
Robert James Martin	1,131,107	0.16

*Note: As at 30 June 2025, Ms. Zhang had a beneficial interest in a total of 307,233 Shares, which included 196,627 Shares representing RSUs granted but which have not yet vested in accordance with the terms and conditions of the RSU Plan. Mr. Townend had a beneficial interest in a total of 616,511 Shares, which included 428,830 Shares representing RSUs granted but which have not yet vested in accordance with the terms and conditions of the RSU Plan. Mr. Martin had a beneficial interest in a total of 1,131,107 Shares, which included 329,431 Shares representing RSUs granted but which have not yet vested in accordance with the terms and conditions of the RSU Plan.*

None of the Directors or the Chief Executive Officer of the Company or their respective associates had any short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO and Section 164 of the Singapore Companies Act 1967, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2025.

## **Restricted Share Unit Long Term Incentive Plan**

As part of the Company's long-term employee incentive plans, the RSU Plan has been established to attract skilled and experienced management and professional employees, to motivate and reward them to maximise profit and long-term investment returns for Shareholders by providing them with the opportunity to acquire equity interests in the Company, thereby aligning the respective interests of employees and Shareholders.

The RSU Plan adopted on 28 February 2023 governing the awards made by the Company in respect of the four financial years from 2022 to 2025 (inclusive) and will terminate in either April 2029 or (depending on the satisfaction of certain conditions) April 2030 when the final awards have vested.

Eligible participants of the RSU Plan are selected employees (including any Executive Director) of the Company or any of its subsidiaries. There is no cap to the total number of shares available for grants under the RSU Plan, or the maximum entitlement of each participant under the RSU Plan. No consideration is required to be paid by the grantee on acceptance of the awards. A trustee (Computershare Hong Kong Trustees Limited) purchases Shares of the Company from the market and holds such Shares on trust in accordance with the rules of the RSU Plan. The RSU Plan will not involve any issue of new Shares by the Company.

Subject to the terms and conditions of the RSU Plan and the fulfilment of all conditions to the vesting of the awards, the Shares underlying each award will vest approximately three to four years (depending on the satisfaction of certain conditions) commencing from the date the award was granted.

The RSU Plan is a share scheme funded by existing Shares of the Company and is subject to the requirements of Rule 17.12 of the Listing Rules.

During the six months ended 30 June 2025, the Company granted awards under the RSU Plan on 19 May 2025. For more information on the grant of awards under the RSU Plan on 19 May 2025, please refer to the Company's announcement of 20 May 2025 on the websites of the Stock Exchange and the Company. Details are set out below:

	Unvested RSUs as at 1 January 2025 <sup>1</sup>		RSUs granted during the six months ended 30 June 2025 <sup>1</sup>		Number of RSUs vested during the six months ended 30 June 2025 <sup>3</sup>	Number of RSUs cancelled during the six months ended 30 June 2025	Number of RSUs lapsed during the six months ended 30 June 2025	Unvested RSUs as at 30 June 2025 <sup>1</sup>	
	Number	Date of grant	Number	Date of grant <sup>2</sup>				Number	Date of grant
Zhang Xiaolu	176,137	Note A	20,490	19 May 2025	Nil	Nil	Nil	196,627	Note B
Steven Matthew Townend	225,065	Note A	203,765	19 May 2025	Nil	Nil	Nil	428,830	Note B
Robert James Martin	329,431	Note A	Nil	–	Nil	Nil	Nil	329,431	Note B
Five highest paid individuals <sup>4</sup>	908,740	Note A	473,057	19 May 2025	Nil	Nil	Nil	1,381,797	Note B
Other grantees	2,703,050	Note A	1,992,815	19 May 2025	16,741	Nil	Nil	4,679,124	Note B

Notes:

1. Subject to the terms and conditions of the RSU Plan and the fulfillment of all conditions to the vesting of the awards, the Shares underlying each award will vest in April of either the fourth or fifth year (depending on the satisfaction of certain conditions) after the end of the financial year for which the award was granted. No consideration is required from the relevant grantee at the time of vesting.
2. The closing price of the Company's Shares on 16 May 2025, the trading day preceding the date of grant, was HK\$60.90. The fair value of each RSU award at the date of grant was HK\$58.21, as determined by the average market price at which the shares of the Company were purchased from the secondary market by a trustee.
3. The closing price of the Company's Shares on 9 June 2025, the day preceding the vesting date, was HK\$62.80. No consideration is required from the relevant grantee at the time of vesting.
4. The information includes the grants to the two Directors who are two of the five highest paid individuals in the six months ended 30 June 2025.

A: Granted on 18 May 2022, 9 June 2023 and 15 May 2024, as applicable.

B: Granted on 18 May 2022, 9 June 2023, 15 May 2024 and 19 May 2025, as applicable.

## **Change of information in respect of Directors**

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules after the publication of the Company's 2024 annual report dated 16 April 2025, up to 21 August 2025 (being the date of this announcement) is set out below:

### ***Experience including other directorships***

Ms. Zhang Xiaolu, Chairman of the Board, a Non-executive Director, has been appointed as the chairman of the strategy and budget committee of the Company with effect from 7 August 2025.

Mr. Jin Hongju, a Non-executive Director, ceased to be a director of Bank of China Group Investment Fund Management (Beijing) Co., Ltd., with effect from 19 June 2025. In addition, Mr. Jin ceased to be the chairman of the strategy and budget committee of the Company and remains as a member of the committee with effect from 7 August 2025.

Ms. Li Ke, a Non-executive Director, ceased to be a director of Bank of China Group Investment Fund Management (Beijing) Co., Ltd., with effect from 19 June 2025.

### **Purchase, sale or redemption of the Company's securities**

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities.

### **Audit Committee**

The Audit Committee consists of three Independent Non-executive Directors and two Non-executive Directors. It is chaired by Mr. Dai Deming. The other members are Mr. Jin Hongju, Ms. Jin Yan, Mr. Fu Shula and Mr. Antony Nigel Tyler.

Based on the principle of independence, the Audit Committee assists the Board in overseeing the financial reporting system and internal control procedures of the Company, reviewing the financial information of the Company and considering issues relating to the external auditors and their appointment.

Our external auditor has carried out a review of the interim financial information in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the International Auditing and Assurance Standards Board. The Audit Committee has reviewed with the management the accounting principles and practices we adopted and discussed auditing, internal controls and financial reporting matters including the review of the unaudited Interim Financial Statements.

### **Compliance with the Corporate Governance Code**

The Company is committed to enhancing shareholder value by achieving high standards of corporate conduct, transparency and accountability. During the six months ended 30 June 2025, the Company was in full compliance with all code provisions of the Corporate Governance Code as contained in Part 2 of Appendix C1 of the Listing Rules.

### **Compliance with the codes for securities transactions by Directors**

The Company has established and implemented a Dealing Policy on terms no less exacting than the Model Code to govern the Directors' securities transactions of the Company. In this connection, the Company had made specific enquiry of all Directors, who confirmed that they had strictly complied with the provisions set out in both the Dealing Policy and the Model Code throughout the six months ended 30 June 2025.

### **Forward-looking statements**

This announcement contains forward-looking statements. These forward-looking statements reflect our current views as to future events and are not a guarantee of our future performance. Forward-looking statements are subject to certain known and unknown risks, uncertainties and assumptions. We do not intend to update the forward-looking statements in this announcement, whether as a result of new information, future events or developments or otherwise. Accordingly, you should not place undue reliance on any forward-looking information.

### **Publication of results announcement and unaudited Interim Financial Statements**

This announcement complies with the relevant requirements of the Listing Rules in relation to information to accompany preliminary announcement of interim results. This announcement is published on the websites of the Company at [www.bocaviation.com](http://www.bocaviation.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). A printed version of the Company's 2025 Interim Report, including our unaudited Interim Financial Statements for the six months ended 30 June 2025 as set out in the Appendix hereto, will be dispatched to the Shareholders who have chosen to receive a printed version and will also be available on the same websites in due course.

## ADDITIONAL INFORMATION

As at 21 August 2025

## CORPORATE INFORMATION

### Board of Directors

#### *Chairman*

ZHANG Xiaolu\*

#### *Directors*

Steven Matthew TOWNEND

JIN Hongju\*

JIN Yan\*

LI Ke\*

LIU Yunfei\*

Robert James MARTIN\*

DAI Deming<sup>#</sup>

FU Shula<sup>#</sup>

Antony Nigel TYLER<sup>#</sup>

YEUNG Yin Bernard<sup>#</sup>

\* Non-executive Directors

<sup>#</sup> Independent Non-executive Directors

### Senior Management

#### *Chief Executive Officer and Managing Director*

Steven Matthew TOWNEND

#### *Chief Financial Officer*

WEN Lan

#### *Chief Operating Officer*

Thomas CHANDLER

#### *Chief Commercial Officer*

Paul KENT

#### *Chief Commercial Officer*

*(Asia Pacific and the Middle East)*

QIAN Xiaofeng

### Company Secretary

SO Yiu Fung

### Principal Place of Business and Registered Office

79 Robinson Road

#15-01

Singapore 068897

### Place of Business in Hong Kong

Room 1912, 19/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

### Independent Auditor

*Recognised Public Interest Entity Auditor*

Ernst & Young LLP

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services  
Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wan Chai

Hong Kong

### Credit Ratings

Fitch Ratings

S&P Global Ratings

### Stock Codes

Ordinary shares:

The Stock Exchange of

Hong Kong Limited

2588

Reuters

2588.HK

Bloomberg

2588 HK

### Website

www.bocaviation.com

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

<b>Terms</b>	<b>Meanings</b>
“1H 2024”	The six months ended 30 June 2024
“1H 2025”	The six months ended 30 June 2025
“Airbus”	Airbus S.A.S., a société par actions simplifiée duly created and existing under French law
“Audit Committee”	The audit committee of the Board
“Board”	The board of Directors of the Company
“BOC” or “Bank of China”	Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC on 26 August 2004, the H-share and A-shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively, the ultimate controlling shareholder of the Company and a connected person of the Company under the Listing Rules
“BOCGI”	Bank of China Group Investment Limited (中銀集團投資有限公司), a company incorporated in Hong Kong with limited liability on 11 December 1984, and a wholly-owned subsidiary of BOC, a controlling shareholder of the Company and a connected person of the Company under the Listing Rules
“Boeing”	The Boeing Company, a corporation organised and existing under the General Corporation Law of the State of Delaware, U.S.A., and its affiliates
“Company” or “BOC Aviation”	BOC Aviation Limited, a company incorporated under the laws of Singapore with limited liability and listed on the Stock Exchange which, together with its subsidiaries, is engaged in aircraft leasing, aircraft purchase and sale and related businesses
“Corporate Governance Code”	Appendix C1 Corporate Governance Code to the Listing Rules
“Dealing Policy”	The Directors’/Chief Executive Officer’s Dealing Policy adopted by the Board on 12 May 2016
“Director(s)”	The director(s) of the Company
“Group”	The Company together with its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Interim Financial Statements”	The unaudited interim condensed consolidated financial statements as set out in the Appendix (Interim Financial Statements)
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Operating cash flow net of interest”	Net cash flow from operating activities less finance expenses paid
“RSU”	A restricted share unit, which is a contingent right to receive Shares, awarded pursuant to the RSU Plan
“RSU Plan”	The BOC Aviation Limited Restricted Share Unit Long Term Incentive Plan
“Senior Management”	Chief Executive Officer and Managing Director, Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer and Chief Commercial Officer (Asia Pacific and the Middle East)
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shareholder”	A holder of Shares
“Shares”	Ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “US Dollar”	The lawful currency of the United States of America

By Order of the Board  
**BOC Aviation Limited**  
**So Yiu Fung**  
*Company Secretary*

Hong Kong, 21 August 2025

*As at the date of this announcement, the Board of Directors of the Company comprises Ms. Zhang Xiaolu as Chairman and Non-executive Director, Mr. Steven Matthew Townend as Executive Director, Mr. Jin Hongju, Ms. Jin Yan, Ms. Li Ke, Ms. Liu Yunfei and Mr. Robert James Martin as Non-executive Directors, and Mr. Dai Deming, Mr. Fu Shula, Mr. Antony Nigel Tyler and Dr. Yeung Yin Bernard as Independent Non-executive Directors.*



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**BOC AVIATION LIMITED**  
*(Incorporated in Singapore. Registration No. 199307789K)*  
**AND ITS SUBSIDIARY COMPANIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**  
*For the period from 1 January 2025 to 30 June 2025*

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# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF BOC AVIATION LIMITED

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## Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of BOC Aviation Limited ("the Company") and its subsidiary companies ("the Group") as at 30 June 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and notes, comprising material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and Singapore Financial Reporting Standard (International) 1-34 *Interim Financial Reporting* ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. This report, including our conclusion, has been prepared solely for the Company in accordance with the contract between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Other matter

The financial statements of the Group and the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 13 March 2025.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 were reviewed by another auditor who expressed an unqualified conclusion on those statements on 15 August 2024.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and SFRS(I) 1-34.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore,  
21 August 2025

BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period from 1 January 2025 to 30 June 2025

		Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
	Note		
<b>Revenues and other income</b>			
Lease rental income	28(a)	937,059	927,742
Interest income from finance leases	22(b)	130,197	95,988
Other interest and fee income	3	65,239	36,317
		<b>1,132,495</b>	1,060,047
<i>Other sources of income:</i>			
Net gain on sale of aircraft	4	60,329	55,868
Other income	5	49,033	58,073
		<b>1,241,857</b>	1,173,988
<b>Costs and expenses</b>			
Depreciation of property, plant and equipment		390,201	399,084
Finance expenses	6	365,640	357,591
Amortisation of deferred debt issue costs		8,281	9,561
Staff costs	7	38,779	34,665
Marketing and travelling expenses		3,450	2,794
Write-back of impairment of aircraft		—	(169,900)
Impairment/(Write-back of) losses on financial assets		5,948	(1,345)
Other operating expenses		23,982	32,383
		<b>(836,281)</b>	(664,833)
<b>Profit before income tax</b>		<b>405,576</b>	509,155
Income tax expense	8	(64,073)	(49,156)
<b>Profit for the period attributable to owners of the Company</b>		<b>341,503</b>	459,999
Earnings per share attributable to owners of the Company:			
<b>Basic earnings per share (US\$)</b>	27	<b>0.49</b>	0.66
<b>Diluted earnings per share (US\$)</b>	27	<b>0.49</b>	0.66

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2025 to 30 June 2025

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
<b>Profit for the period</b>	<b>341,503</b>	459,999
<b>Other comprehensive income for the period, net of tax:</b>		
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>		
Effective portion of changes in fair value of cash flow hedges, net of tax	(8,973)	47,729
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax	(14,704)	(13,125)
<b><i>Item that will not be reclassified to profit or loss:</i></b>		
Change in fair value of investment in equity instruments	(2,116)	—
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>315,710</b>	494,603

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Non-current assets</b>			
Property, plant and equipment	9	20,587,178	20,130,960
Derivative financial instruments	17	507	16,239
Finance lease receivables	22(b)	3,465,047	2,972,687
Trade receivables	10	79,989	85,689
Other receivables	11	91,481	94,600
Deferred income tax assets	18	185	212
Other non-current assets		40,848	17,849
		<b>24,265,235</b>	<b>23,318,236</b>
<b>Current assets</b>			
Trade receivables	10	7,583	19,810
Prepayments		5,441	1,997
Derivative financial instruments	17	716	–
Finance lease receivables	22(b)	506,620	773,770
Other receivables	11	235,446	245,881
Income tax receivables		399	396
Short-term deposits	12	451,926	417,511
Cash and bank balances	12	81,307	253,820
Assets held for sale	13	–	7,740
Other current assets		13,830	13,830
		<b>1,303,268</b>	<b>1,734,755</b>
<b>Total assets</b>		<b>25,568,503</b>	<b>25,052,991</b>
<b>Current liabilities</b>			
Derivative financial instruments	17	2,169	2,204
Trade and other payables	14	257,936	206,100
Deferred income	15	89,166	92,155
Income tax payables		22,398	6,417
Loans and borrowings	16	1,786,265	2,611,354
Lease liabilities		2,535	2,502
Security deposits		95,481	8,295
		<b>2,255,950</b>	<b>2,929,027</b>
<b>Net current liabilities</b>		<b>(952,682)</b>	<b>(1,194,272)</b>
<b>Total assets less current liabilities</b>		<b>23,312,553</b>	<b>22,123,964</b>

BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

As at 30 June 2025

	Note	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Non-current liabilities</b>			
Derivative financial instruments	17	23,415	20,471
Loans and borrowings	16	15,090,809	13,962,409
Lease liabilities		11,690	12,219
Security deposits		187,350	169,143
Deferred income	15	117,810	94,468
Maintenance reserves		596,110	752,911
Deferred income tax liabilities	18	780,623	740,205
Other non-current liabilities		5,280	9,594
		<b>16,813,087</b>	<b>15,761,420</b>
<b>Total liabilities</b>		<b>19,069,037</b>	<b>18,690,447</b>
<b>Net assets</b>		<b>6,499,466</b>	<b>6,362,544</b>
<b>Equity attributable to owners of the Company</b>			
Share capital	19	1,157,791	1,157,791
Retained earnings		5,335,041	5,178,988
Statutory reserves		1,550	1,401
Share-based compensation reserves		19,547	13,034
Fair value reserves		(2,116)	—
Hedging reserves	20	(12,347)	11,330
<b>Total equity</b>		<b>6,499,466</b>	<b>6,362,544</b>
<b>Total equity and liabilities</b>		<b>25,568,503</b>	<b>25,052,991</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2025 to 30 June 2025

		Attributable to owners of the Company						
	Note	Share capital US\$'000	Retained earnings US\$'000	Statutory reserves* US\$'000	Share-based compensation reserves US\$'000	Fair value reserve US\$'000	Hedging reserves US\$'000	Total equity US\$'000
Unaudited 2025								
At 1 January 2025		1,157,791	5,178,988	1,401	13,034	–	11,330	6,362,544
Profit for the period		–	341,503	–	–	–	–	341,503
Transfers to statutory reserves		–	(149)	149	–	–	–	–
Other comprehensive income for the period, net of tax		–	–	–	–	(2,116)	(23,677)	(25,793)
Total comprehensive income for the period		–	341,354	149	–	(2,116)	(23,677)	315,710
Transactions with owners of the Company:								
Dividends		21	–	(185,301)	–	–	–	(185,301)
Amortisation of share-based compensation		7	–	–	–	6,513	–	6,513
At 30 June 2025		1,157,791	5,335,041	1,550	19,547	(2,116)	(12,347)	6,499,466
Unaudited 2024								
At 1 January 2024		1,157,791	4,582,434	1,178	7,597	–	(538)	5,748,462
Profit for the period		–	459,999	–	–	–	–	459,999
Transfers to statutory reserves		–	(222)	222	–	–	–	–
Other comprehensive income for the period, net of tax		–	–	–	–	–	34,604	34,604
Total comprehensive income for the period		–	459,777	222	–	–	34,604	494,603
Transactions with owners of the Company:								
Dividends		21	–	(188,840)	–	–	–	(188,840)
Amortisation of share-based compensation		7	–	–	–	6,696	–	6,696
At 30 June 2024		1,157,791	4,853,371	1,400	14,293	–	34,066	6,060,921

\* In accordance with statutory requirements in China and France, each subsidiary company in these countries is required to make appropriation of a certain percentage of its annual profit after tax to a statutory reserve until a statutory limit is reached.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 January 2025 to 30 June 2025

		Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
	Note		
<b>Cash flows from operating activities:</b>			
Profit before income tax		405,576	509,155
Adjustments for:			
Depreciation of property, plant and equipment		390,201	399,084
Write-back of impairment of aircraft		–	(169,900)
Amortisation of deferred debt issue costs		8,281	9,561
Amortisation of share-based compensation	7	6,513	6,696
Interest income from finance leases	22(b)	(130,197)	(95,988)
Other interest and fee income	3	(65,239)	(36,317)
Net gain on sale of aircraft	4	(60,329)	(55,868)
Finance expenses	6	365,640	357,591
Impairment/(Write-back of) losses on financial assets		5,948	(1,345)
Other income		–	(22,792)
<b>Operating profit before working capital changes</b>		<b>926,394</b>	<b>899,877</b>
Changes in working capital:			
Trade and other receivables		131,831	189,049
Trade and other payables		43,953	(14,858)
Maintenance reserves, net		(57,286)	76,316
Deferred income		2,611	(8,092)
<b>Cash generated from operations</b>		<b>1,047,503</b>	<b>1,142,292</b>
Security deposits received, net		128,335	14,838
Lease transaction closing costs paid		(218)	(124)
Income tax paid, net		(4,950)	(5,062)
Interest and fee income received		222,977	137,606
<b>Net cash flows from operating activities</b>		<b>1,393,647</b>	<b>1,289,550</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(1,499,462)	(160,213)
Purchase of aircraft classified as finance lease		(387,500)	(593,500)
Proceeds from sale of property, plant and equipment	4	651,429	447,959
Refund of pre-delivery payment by airlines		–	15,037
<b>Net cash flows used in investing activities</b>		<b>(1,235,533)</b>	<b>(290,717)</b>



BOC AVIATION LIMITED AND ITS SUBSIDIARY COMPANIES

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the period from 1 January 2025 to 30 June 2025

		Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
	Note		
<b>Cash flows from financing activities:</b>			
Proceeds from loans and borrowings		2,210,000	2,265,000
Repayment of loans and borrowings		(2,361,926)	(2,747,655)
Increase in borrowings from revolving credit facilities, net		451,000	215,000
Repayment of lease liabilities		(1,487)	(1,525)
Finance expenses paid		(393,789)	(381,119)
Debt issue costs paid		(14,709)	(20,374)
Dividends paid	21	(185,301)	(188,840)
Decrease in cash and bank balances – encumbered		–	654
<b>Net cash flows used in financing activities</b>		<b>(296,212)</b>	<b>(858,859)</b>
Net (decrease)/increase in cash and cash equivalents		(138,098)	139,974
Cash and cash equivalents at beginning of period		671,331	391,821
<b>Cash and cash equivalents at end of period</b>		<b>533,233</b>	<b>531,795</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

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## 1. Corporate information

BOC Aviation Limited (the “Company”) is a public company limited by shares and is listed on the main board of The Stock Exchange of Hong Kong Limited. The company is incorporated and domiciled in Singapore. The Company’s immediate holding company is Sky Splendor Limited, which is incorporated in the Cayman Islands. The shareholder of Sky Splendor Limited is Bank of China Group Investment Limited, incorporated in Hong Kong and owned by Bank of China Limited, incorporated in the People’s Republic of China (“PRC”). Bank of China Limited is majority owned by Central Huijin Investment Limited (“Central Huijin”), which is incorporated in the PRC. Central Huijin is a wholly owned subsidiary of China Investment Corporation (“CIC”), which is a wholly state-owned company in the PRC.

The registered address of the Company is 79 Robinson Road, #15-01, Singapore 068897.

The principal activities of the Company, which are conducted in Singapore, are the leasing of aircraft, management of aircraft leases and other related activities. The subsidiary companies are primarily engaged in the leasing of aircraft and other related activities.

## 2. Basis of preparation, material accounting policies and use of judgements and estimates

### 2.1 Basis of preparation

As at 30 June 2025, the Group’s current liabilities exceeded its current assets by US\$952.7 million (31 December 2024: US\$1,194.3 million). The interim financial statements have been prepared on a going concern basis as the management is reasonably confident that after taking into account cash generated by the Group and unutilised committed banking facilities, the Group will have sufficient resources to pay its debts as and when they fall due.

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the International Accounting Standards Board and are also prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) as issued by the Singapore Accounting Standards Council. Accordingly, the interim financial statements of the Group have been prepared in accordance with both International Accounting Standard 34 *Interim Financial Reporting* and SFRS(I) 1-34 *Interim Financial Reporting*.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2024.

The interim financial statements have been prepared on a historical cost convention, except as disclosed in the accounting policies and the explanatory notes. The interim financial statements are presented in the Group’s functional currency, United States Dollar (“US\$” or “US Dollar”), and all values are rounded to the nearest thousand (US\$’000), except when otherwise indicated. Where necessary, comparative information has been re-represented to conform with the presentation in the current period.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 2. Basis of preparation, material accounting policies and use of judgements and estimates (cont'd)

### 2.2 Changes in material accounting policies

The material accounting policies adopted are consistent with those of the previous financial year which are set out in the audited consolidated financial statements of the Group for the financial year ended 31 December 2024, except for the adoption of new and revised standards effective for annual periods beginning on or after 1 January 2025. The adoption of these new and revised standards did not have any material impact on the interim financial statements of the Group.

### 2.3 Use of judgements and estimates

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements of the Group as at and for the year ended 31 December 2024.

## 3. Other interest and fee income

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
Fee income from aircraft pre-delivery payments	49,748	17,363
Fee income from deferred payments	4,966	7,926
Interest income from short-term deposits and bank balances	4,506	5,521
Lease management and remarketing fee income	1,495	2,401
Others	4,524	3,106
	<b>65,239</b>	<b>36,317</b>

## 4. Net gain on sale of aircraft

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
Proceeds from sale of aircraft	651,429	447,959
Maintenance reserves released	99,515	—
Security deposits released	5,200	—
Less:		
Net book value of aircraft classified as property, plant and equipment	(694,847)	(391,048)
Expenses, net of costs written back	(968)	(1,043)
	<b>60,329</b>	<b>55,868</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 5. Other income

During the period ended 30 June 2025, other income was mainly related to insurance settlements and tax rebates.

During the period ended 30 June 2024, other income was mainly related to amounts paid by manufacturers, insurance settlements and the release of unutilised maintenance reserves and security deposits to profit or loss.

## 6. Finance expenses

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
Interest expense and other charges on:		
Loans and borrowings	365,414	357,398
Lease liabilities	226	193
	<b>365,640</b>	<b>357,591</b>

## 7. Staff costs

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
Salaries, bonuses and other staff costs	31,203	27,217
Employers' defined contributions	1,063	752
Amortisation of share-based compensation	6,513	6,696
	<b>38,779</b>	<b>34,665</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 7. Staff costs (cont'd)

### Share-based compensation (equity-settled)

The Group has in place a Restricted Share Unit Long Term Incentive Plan (the "RSU Plan") for certain employees. The first RSU Plan was adopted on 18 December 2017 governing the awards of Restricted Share Units ("RSU") made by the Company in respect of the five financial years from 2017 to 2021 (inclusive) and has terminated in December 2024 when the final awards have vested. The second RSU Plan was adopted on 28 February 2023 governing the awards made by the Company in respect of the four financial years from 2022 to 2025 (inclusive) and will terminate in either April 2029 or (depending on the satisfaction of certain conditions) April 2030 when the final awards have vested.

Subject to the terms and conditions of the RSU Plan and the fulfilment of all conditions to the vesting of the awards, the shares underlying each award will vest in December of the third year after the end of the financial year for which the award was granted (under the first RSU Plan) or in April of either the fourth or fifth year (depending on the satisfaction of certain conditions) after the end of the financial year for which the award was granted (under the second RSU Plan).

Movement of RSUs:

Year of grant	Fair value at grant date HK\$	Fair value at grant date US\$	Number of RSUs				
			At 1 January 2025	Granted during the period	Lapsed during the period	Vested during the period	At 30 June 2025
2023	60.40	7.70	1,558,488	–	–	–	1,558,488
2024	60.87	7.78	2,053,302	–	–	–	2,053,302
2025	58.21	7.49	–	2,465,872	–	–	2,465,872
			3,611,790	2,465,872	–	–	6,077,662

Year of grant	Fair value at grant date HK\$	Fair value at grant date US\$	Number of RSUs				
			At 1 January 2024	Granted during the period	Lapsed during the period	Vested during the period	At 30 June 2024
2022	62.36	7.97	1,000,016	–	–	–	1,000,016
2023	60.40	7.70	1,602,686	–	(7,366)	–	1,595,320
2024	60.87	7.78	–	2,108,107	–	–	2,108,107
			2,602,702	2,108,107	(7,366)	–	4,703,443

The fair value of RSU at grant date was determined by the average market price at which the shares of the Company were purchased by a trustee in the secondary market.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 8. Income tax expense

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
Current income tax	19,696	4,461
Deferred income tax	44,325	44,714
Under/(Over) provision in prior years	52	(19)
Income tax expense	<b>64,073</b>	49,156

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules. Pillar Two legislation was enacted in the United Kingdom, Ireland and Singapore on 11 July 2023, 18 December 2023 and 8 November 2024 respectively, introducing a global minimum effective tax rate of 15%. The legislation implements domestic and multinational top-up taxes and is effective for the Group's operations in the United Kingdom and Ireland from 1 January 2024, and in Singapore from 1 January 2025.

As at the reporting date, the Group has identified Ireland and Singapore as the material in-scope jurisdictions that require top-up taxes. Accordingly, the Group has recognised an estimated current tax expense of US\$16.1 million related to Pillar Two income taxes for the period ended 30 June 2025 (30 June 2024: US\$1.3 million). This is included in income tax expenses in the statement of profit or loss.

The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of Pillar Two income tax and accounts for it as current tax when it is incurred.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 9. Property, plant and equipment

	<b>Aircraft US\$'000</b>	<b>Aircraft pre-delivery payments US\$'000</b>	<b>Office renovations US\$'000</b>	<b>Furniture, fittings and office equipment US\$'000</b>	<b>Right-of-use assets US\$'000</b>	<b>Total US\$'000</b>
<b>Cost:</b>						
At 1 January 2024	24,004,889	1,692,750	3,281	7,413	19,627	25,727,960
Additions	457,319	626,809	177	2,923	3,150	1,090,378
Disposals	(1,716,964)	–	–	–	(625)	(1,717,589)
Transfers	230,288	(230,288)	–	–	–	–
Transfer to assets held for sale	(8,016)	–	–	–	–	(8,016)
Adjustments	12,783	–	174	2	–	12,959
At 31 December 2024 and 1 January 2025	22,980,299	2,089,271	3,632	10,338	22,152	25,105,692
Additions	929,092	587,258	313	237	–	1,516,900
Disposals	(1,187,262)	–	–	(1,080)	(813)	(1,189,155)
Transfers	288,081	(288,081)	–	–	–	–
Transfer to assets held for sale	–	(8,249)	–	–	–	(8,249)
Adjustments	16,653	–	–	19	(46)	16,626
<b>At 30 June 2025</b>	<b>23,026,863</b>	<b>2,380,199</b>	<b>3,945</b>	<b>9,514</b>	<b>21,293</b>	<b>25,441,814</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 9. Property, plant and equipment (cont'd)

	<b>Aircraft US\$'000</b>	<b>Aircraft pre-delivery payments US\$'000</b>	<b>Office renovations US\$'000</b>	<b>Furniture, fittings and office equipment US\$'000</b>	<b>Right-of-use assets US\$'000</b>	<b>Total US\$'000</b>
<b>Accumulated depreciation and impairment:</b>						
At 1 January 2024	4,950,646	—	931	5,207	6,016	4,962,800
Charge for the year	789,433	—	416	1,669	2,531	794,049
Disposals	(617,616)	—	—	—	(625)	(618,241)
Impairment of aircraft	11,200	—	—	—	—	11,200
Write-back of impairment of aircraft	(174,800)	—	—	—	—	(174,800)
Transfer to assets held for sale	(276)	—	—	—	—	(276)
At 31 December 2024 and 1 January 2025	4,958,587	—	1,347	6,876	7,922	4,974,732
Charge for the period	387,708	—	210	946	1,337	390,201
Disposals	(508,404)	—	—	(1,080)	(813)	(510,297)
<b>At 30 June 2025</b>	<b>4,837,891</b>	<b>—</b>	<b>1,557</b>	<b>6,742</b>	<b>8,446</b>	<b>4,854,636</b>
<b>Net book value:</b>						
At 31 December 2024	18,021,712	2,089,271	2,285	3,462	14,230	20,130,960
<b>At 30 June 2025</b>	<b>18,188,972</b>	<b>2,380,199</b>	<b>2,388</b>	<b>2,772</b>	<b>12,847</b>	<b>20,587,178</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 9. Property, plant and equipment (cont'd)

### (a) Impairment of assets

As at 30 June 2025, the accumulated impairment loss on the Group's property, plant and equipment was US\$463.1 million (31 December 2024: US\$552.9 million). The weighted average discount rate applied to the forecast cash flows was 4.9% per annum for the period ended 30 June 2025 (for the year ended 31 December 2024: 5.5%).

Movement of accumulated impairment loss provision:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
At beginning of period/year	552,923	741,023
Impairment loss	–	11,200
Write-back of impairment of aircraft	–	(174,800)
Utilised	(89,800)	(24,500)
At end of period/year	<b>463,123</b>	552,923

The impairment loss represented the write-down of the book value of certain aircraft to their recoverable amounts. The recoverable amount was determined based on the higher of management's best estimate of each aircraft value from appraisers' valuation less costs of disposal and its value in use. The adjusted selling price, if available, is also taken into account.

During the year ended 31 December 2024, the Group recognised a write-back of impairment of aircraft of US\$174.8 million in respect of two aircraft that were recovered from Russia. The write-back of impairment loss represented the recovery of the written down value of certain aircraft to their net recovered amount.

In addition, during the period ended 30 June 2025, insurance settlements of US\$43.4 million (2024: US\$17.2 million) in respect of aircraft formerly leased to Russian airlines which were detained in Russia was recognised by the Group as other income in the statement of profit or loss.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 9. Property, plant and equipment (cont'd)

### (b) Right-of-use assets

The Group has lease contracts for its offices and facility spaces.

The Group has certain leases that are of low value. The Group applies the exemption under IFRS 16/SFRS(I) 16 *Leases* not to recognise right-of-use assets and liabilities for these leases.

### (c) Assets pledged as security

As at 30 June 2025, the net book value of one aircraft owned by the Group that has been charged for a loan facility granted (Note 16) by way of mortgage amounted to US\$90.0 million (31 December 2024: US\$91.8 million).

### (d) Capitalisation of borrowing costs

As at 30 June 2025, the borrowing costs capitalised as cost of aircraft amounted to US\$17.4 million (31 December 2024: US\$41.7 million). The weighted average interest rates used to determine the amount of borrowing costs for capitalisation was 4.7% per annum for the period ended 30 June 2025 (for the year ended 31 December 2024: 4.7%).

## 10. Trade receivables

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Trade receivables – gross carrying amount		
Current	19,092	25,333
Non-current	79,989	88,034
	99,081	113,367
Less: Allowance for expected credit losses	(11,509)	(7,868)
	87,572	105,499
Trade receivables – net of allowance for expected credit losses		
Current	7,583	19,810
Non-current	79,989	85,689
	87,572	105,499

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 10. Trade receivables (cont'd)

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables are generally secured by cash security deposits or letters of credit. As at 30 June 2025, included in the Group's current and non-current portion of trade receivables was an amount of US\$5.6 million and US\$80.0 million (31 December 2024: US\$6.6 million and US\$85.7 million), respectively, that was contractually deferred by mutual agreements, not overdue and was generally interest bearing.

### Impairment of financial assets – trade receivables

The Group applies the IFRS 9/SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. The cash security deposits and letters of credit that the Group holds on behalf of its lessees are considered in the calculation of the loss allowance.

As at 30 June 2025 and 31 December 2024, the aging of trade receivables based on the receivables due date was as follows:

Unaudited 30 June 2025	Deferred US\$'000	Current US\$'000	Less than 30 days past due US\$'000	30 to 60 days past due US\$'000	61 to 90 days past due US\$'000	More than 90 days past due US\$'000	Total US\$'000
Gross carrying amount	88,003	1,725	4,862	3,376	400	715	99,081
Allowance for expected credit losses	(2,390)	–	(4,628)	(3,376)	(400)	(715)	(11,509)
Audited 31 December 2024							
Gross carrying amount	98,185	900	5,399	4,903	1,194	2,786	113,367
Allowance for expected credit losses	(5,930)	–	–	(948)	(275)	(715)	(7,868)

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

**10. Trade receivables (cont'd)***Impairment of financial assets – trade receivables (cont'd)*

For the period ended 30 June 2025, the allowance for expected credit loss rate for the Group was assessed to be immaterial for current trade receivable (for the year ended 31 December 2024: current and less than 30 days past due). The allowance for expected credit loss rate for the gross carrying amounts which are deferred and not yet due was 3%, less than 30 days past due was 95%, 30 to 60 days past due was 100%, 61 to 90 days past due was 100% and more than 90 days past due was 100% (for the year ended 31 December 2024: deferred and not yet due was 6%, 30 to 60 days past due was 19%, 61 to 90 days past due was 23% and more than 90 days past due was 26%).

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	<b>Unaudited 30 June 2025 US\$'000</b>	<b>Audited 31 December 2024 US\$'000</b>
At beginning of period/year	7,868	5,583
Charged to profit or loss	5,961	2,285
Write-off*	(2,320)	–
At end of period/year	<b>11,509</b>	<b>7,868</b>

\* Trade receivables of the Group with a contractual amount of US\$2.3 million (31 December 2024: Nil) written off during the period are still subject to enforcement activities.

**11. Other receivables**

	<b>Unaudited 30 June 2025 US\$'000</b>	<b>Audited 31 December 2024 US\$'000</b>
<b>Current:</b>		
Deposits	1,089	701
Interest receivables	2,936	3,037
Sundry receivables	2,442	3,365
Receivables from airlines	300	18,155
Receivables from manufacturers	169,085	138,939
Accrued receivables	59,594	81,684
	<b>235,446</b>	<b>245,881</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 11. Other receivables (cont'd)

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Non-current:</b>		
Accrued receivables	51,005	71,163
Notes receivables	21,890	21,890
Receivables from airlines	18,000	–
Interest receivables	586	1,547
	91,481	94,600

The sundry receivables of the Group are non-trade related, unsecured and non-interest bearing.

As at 30 June 2025, included in the Group's other receivables was an amount of US\$137.3 million (31 December 2024: US\$137.3 million) due from a manufacturer which was deferred by agreement in return for a fee.

The Group's receivables from airlines are non-trade related, secured by letter of credit, fee bearing and are repayable based on agreed repayment schedule.

Accrued receivables relate to future receipts for revenues and other income for which services have been rendered.

There has been no significant increase in the risk of default of these other receivables since initial recognition. The Group assesses that there is no material expected credit loss.

## 12. Cash and cash equivalents

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Short-term deposits	451,926	417,511
Cash and bank balances	81,307	253,820
Cash and cash equivalents	533,233	671,331

As at 30 June 2025, the Group has no short-term deposits placed with a related party (31 December 2024: US\$25.2 million for four days at an interest rate of 4.43% per annum).

As at 30 June 2025, the Group's cash and bank balances included an amount of US\$9.3 million (31 December 2024: US\$13.0 million) placed with the intermediate holding company.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 13. Assets held for sale

Set out below is the movement for assets held for sale:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Property, plant and equipment - aircraft		
At beginning of period/year	7,740	—
Additions	8,249	7,740
Disposals	(15,989)	—
At end of period/year	—	7,740

## 14. Trade and other payables

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Trade payables	1,421	300
Sundry payables	12,351	18,475
Accrued finance expenses	120,587	133,410
Accrued maintenance reserve payables	91,921	—
Accrued technical expenses	3,844	5,021
Staff costs related accruals	19,500	37,962
Other accruals and liabilities	8,312	10,932
	257,936	206,100

Trade payables and sundry payables are substantially denominated in US Dollar (31 December 2024: US Dollar), non-interest bearing, current in nature and are normally contracted between 30 and 45 days (31 December 2024: between 30 and 45 days) credit terms.

The table below summarises the aging of trade payables based on invoice due date:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Current	1,210	34
1 – 30 days	52	—
61 – 90 days	107	—
More than 90 days	52	266
	1,421	300

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 15. Deferred income

Deferred income (current) relates to advance receipts for lease and other income for which services have not yet been rendered.

Deferred income (non-current) relates to advance receipts for lease income for which services have not yet been rendered and the difference between the nominal value of the security deposits and their amortised value using the effective interest method. The deferred income is recognised in profit or loss on a straight-line basis over the lease term.

## 16. Loans and borrowings

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Current:</b>		
Medium term notes	1,307,372	1,858,883
Loans	481,238	756,137
Medium term notes discount (net of premium)	(687)	(319)
Fair value and revaluation adjustments	(280)	(2,514)
Deferred debt issue costs	(1,378)	(833)
	<b>1,786,265</b>	<b>2,611,354</b>
<b>Non-current:</b>		
Medium term notes	6,293,055	7,100,427
Loans	8,885,422	6,952,567
Medium term notes discount (net of premium)	(25,489)	(27,411)
Fair value and revaluation adjustments	(11,044)	(15,663)
Deferred debt issue costs	(51,135)	(47,511)
	<b>15,090,809</b>	<b>13,962,409</b>
Total loans and borrowings	<b>16,877,074</b>	<b>16,573,763</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

**16. Loans and borrowings (cont'd)**

The table below summarises the maturity profile of the loans and borrowings for the Group:

	One year or less US\$'000	One to two years US\$'000	Two to five years US\$'000	Over five years US\$'000	Total US\$'000
<b>Unaudited 30 June 2025</b>					
Medium term notes	1,305,742	299,302	4,207,110	1,734,658	7,546,812
Loans	480,523	2,236,059	6,613,680	–	9,330,262
<b>Total loans and borrowings</b>	<b>1,786,265</b>	<b>2,535,361</b>	<b>10,820,790</b>	<b>1,734,658</b>	<b>16,877,074</b>
<b>Audited 31 December 2024</b>					
Medium term notes	1,855,609	1,305,111	3,505,559	2,230,297	8,896,576
Loans	755,745	965,245	5,860,365	95,832	7,677,187
<b>Total loans and borrowings</b>	<b>2,611,354</b>	<b>2,270,356</b>	<b>9,365,924</b>	<b>2,326,129</b>	<b>16,573,763</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 16. Loans and borrowings (cont'd)

As at 30 June 2025, a loan of US\$55.7 million (31 December 2024: US\$58.7 million) for the Group is secured by way of mortgage over the related aircraft (Note 9).

In addition, the Company and certain subsidiary companies have provided negative pledges prohibiting the creation of any encumbrance on its assets and revenues (other than any encumbrance in existence at the time the negative pledge is entered into or created subsequently to secure finance to acquire or re-finance any aircraft).

### (a) Medium term notes

Outstanding notes issued at fixed coupon rate denominated in various currencies were:

			Unaudited As at 30 June 2025	
			Outstanding amounts	Amounts swapped to US\$ and fixed rates
			US\$'000	US\$'000
Currency	Fixed Coupon Rate (p.a.)	Maturity (Year)		
Australian Dollar	3.15%	2029	140,590	140,590
Hong Kong Dollar	3.25% to 3.6%	2026 to 2027	159,837	159,837
United States Dollar	1.75% to 5.75%	2026 to 2033	7,300,000	—
			<b>7,600,427</b>	<b>300,427</b>

			Audited As at 31 December 2024	
			Outstanding amounts	Amounts swapped to US\$ and fixed rates
			US\$'000	US\$'000
Currency	Fixed Coupon Rate (p.a.)	Maturity (Year)		
Australian Dollar	3.15%	2029	140,590	140,590
Hong Kong Dollar	3.25% to 3.6%	2026 to 2027	159,837	159,837
Singapore Dollar	3.93%	2025	108,883	108,883
United States Dollar	1.75% to 6.69%	2025 to 2033	8,550,000	—
			<b>8,959,310</b>	<b>409,310</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

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## 16. Loans and borrowings (cont'd)

### (a) *Medium term notes (cont'd)*

As at 30 June 2025, an amount of US\$300.4 million (31 December 2024: US\$409.3 million) in medium term notes which was denominated in non-US Dollar currencies at fixed rates has been swapped to US Dollars and at fixed rates via cross-currency interest rate swap contracts to hedge the exposure to variability in cash flows arising from the foreign currency fixed rate medium term notes. The net increase in fair value of US\$2.6 million for the period ended 30 June 2025 (for the year 31 December 2024: net decrease in fair value of US\$0.3 million) on these cross-currency interest rate swaps was recognised in hedging reserve.

During the period ended 30 June 2025, the fair value on terminated interest rate swaps of US\$1.6 million were reclassified from hedging reserve to profit or loss upon maturity of the underlying borrowings. For the year ended 31 December 2024, the net decrease in fair value and the reclassification to profit or loss on these financial instruments of US\$5.0 million was recognised in hedging reserve.

The terms of the above cross-currency interest rate swap and interest rate swap contracts have been negotiated to match the terms of the notes and accordingly, the hedges are assessed to be highly effective.

### (b) *Loans*

Interest on floating rate loans of the Group is set at specified margins above Secured Overnight Financing Rate ("SOFR"). Interest rate for floating rate loans is reset at intervals of up to six months and the weighted average effective interest rate was 5.3% per annum for the period ended 30 June 2025 (for the year ended 31 December 2024: 6.1%). The loans are repayable based on agreed repayment schedules, until the expiry date of the respective loans. The final maturities of the loans are between 2025 and 2030 (31 December 2024: 2025 and 2030).

As at 30 June 2025, the loans due to the intermediate holding company amounted to US\$1,100 million (31 December 2024: US\$1,000 million), and the loans due to other related parties amounted to US\$3,097.2 million (31 December 2024: US\$2,700.0 million).

As at 30 June 2025, loans outstanding amounting to US\$3,570 million (31 December 2024: US\$3,070 million) have been swapped to fixed rate liabilities via interest rate swaps to hedge exposure to variability in cash flows from related loans which are pegged to SOFR. These hedges are classified as cash flow hedges. The terms of the interest rate swap contracts have been negotiated to match the terms of the loans and accordingly, the cash flow hedges were assessed to be highly effective. The net decrease in fair value of US\$24.7 million (for the year ended 31 December 2024: net increase in fair value of US\$17.2 million) was accounted for in hedging reserve.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 16. Loans and borrowings (cont'd)

### (b) Loans (cont'd)

As at 30 June 2025, the Group had unutilised unsecured committed revolving credit facilities of US\$4,669 million (31 December 2024: US\$5,060 million). These facilities included US\$2,550 million (31 December 2024: US\$2,850 million) available under committed revolving credit facilities provided by the intermediate holding company that mature in 2026 (31 December 2024: 2026). The unutilised committed revolving credit facilities provided by other related parties to the Group totalled US\$307.8 million (31 December 2024: US\$305.0 million) that mature between 2026 and 2030 (31 December 2024: 2026 and 2029).

As at 30 June 2025, unutilised unsecured committed term loan facilities available to the Group totalled US\$850 million (31 December 2024: US\$760 million). The unutilised unsecured committed term loan facilities provided by other related parties to the Group totalled US\$320 million (31 December 2024: US\$260 million).

## 17. Derivative financial instruments

	Unaudited 30 June 2025			Audited 31 December 2024		
	Outstanding notional amounts US\$'000	Assets US\$'000	Liabilities US\$'000	Outstanding notional amounts US\$'000	Assets US\$'000	Liabilities US\$'000
<b>Current:</b>						
Cross-currency interest rate swaps	57,373	377	–	108,883	–	(2,204)
Interest rate swaps	690,000	339	(2,169)	–	–	–
		716	(2,169)		–	(2,204)
<b>Non-current:</b>						
Cross-currency interest rate swaps	243,054	56	(10,555)	300,427	233	(17,711)
Interest rate swaps	2,880,000	451	(12,860)	3,070,000	16,006	(2,760)
		507	(23,415)		16,239	(20,471)

The fair values of interest rate swaps and cross-currency interest rate swaps as shown above are determined with reference to marked-to-market values based on valuation techniques that use data from observable markets.

Hedge accounting has been applied for interest rate swaps and cross-currency interest rate swaps that are assessed by the Group to be highly effective hedges.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 17. Derivative financial instruments (cont'd)

The Group determines the economic relationship between the loans and borrowings and the derivatives by matching the critical terms of the hedging instruments with the terms of the hedged items. The hedge ratio (the ratio between the notional amount of the derivative financial instrument to the amount of the loans and borrowings being hedged) is determined to be 1:1. Hedge ineffectiveness arises from the difference in timing of cash flows of hedged items and hedging instruments, but it was negligible for the period ended 30 June 2025 and the year ended 31 December 2024.

The following hedging instruments used by the Group are shown as derivative financial instruments in the statement of financial position:

	Outstanding notional amounts US\$'000	Assets/ (Liabilities) US\$'000	Hedge rates		
			USD interest rates (p.a.)	Foreign currency rates	Maturity (Year)
Unaudited 30 June 2025					
Cash flow hedge					
Cross-currency interest rate swaps <sup>1</sup>					
- Australian Dollar	140,590	(10,555)	3.43%	US\$1 : AUD1.42	2029
- Hong Kong Dollar	159,837	433	3.72% to 4.13%	US\$1 : HK\$7.81 to HK\$7.84	2026 to 2027
Interest rate swaps <sup>2</sup>					
- United States Dollar	3,570,000	(14,239)	4.119% to 5.482%	—	2026 to 2030
Audited 31 December 2024					
Cash flow hedge					
Cross-currency interest rate swaps <sup>1</sup>					
- Australian Dollar	140,590	(17,370)	3.43%	US\$1 : AUD1.42	2029
- Hong Kong Dollar	159,837	(108)	3.72% to 4.13%	US\$1 : HK\$7.81 to HK\$7.84	2026 to 2027
- Singapore Dollar	108,883	(2,204)	4.00%	US\$1 : SGD1.33	2025
Interest rate swaps <sup>2</sup>					
- United States Dollar	3,070,000	13,246	4.498% to 5.482%	—	2026 to 2028

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 17. Derivative financial instruments (cont'd)

<sup>1</sup> The Group uses these cross-currency interest rate swaps to hedge against the exposure to variability in cash flows arising from the foreign currency fixed rate loans and borrowings. Under these cross-currency interest rate swaps, the Group receives non-US Dollar principal and fixed interest, and pays US Dollar principal and fixed interest. These hedges are classified as cash flow hedges and the fair value changes of these cross-currency interest rate swaps are recognised in hedging reserve.

<sup>2</sup> The Group uses these interest rate swaps to hedge against the exposure to variability in cash flows from the related loans and borrowings which are pegged to SOFR. Under these interest rate swaps, the Group receives floating interest pegged to SOFR and pays fixed interest. These hedges are classified as cash flow hedges and the fair value changes of these interest rate swaps are recognised in hedging reserve.

## 18. Deferred income tax assets and liabilities

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Deferred income tax liabilities, net	780,623	740,205
Deferred income tax assets, net	(185)	(212)
	<b>780,438</b>	<b>739,993</b>

Deferred income tax liabilities arose mainly from differences in depreciation after offsetting unabsorbed capital allowances and unutilised tax losses which relate to the same taxable entity and the same tax authority.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 19. Share capital

	Unaudited 30 June 2025		Audited 31 December 2024	
	No. of shares		No. of shares	
	'000	US\$'000	'000	US\$'000
<b>Issued and fully paid ordinary shares:</b>				
At beginning and end of period/year	<b>694,010</b>	<b>1,157,791</b>	694,010	1,157,791

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

## 20. Hedging reserves

Hedging reserves record the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that is determined to be an effective hedge.

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Interest rate and foreign currency risk:</b>		
At beginning of period/year	<b>11,330</b>	(538)
Effective portion of changes in fair value of cash flow hedges, net of tax:		
- Interest rate swaps	<b>(16,996)</b>	49,800
- Cross-currency interest rate swaps	<b>8,023</b>	(15,018)
	<b>(8,973)</b>	34,782
Net change in fair value of cash flow hedges reclassified to profit or loss, net of tax:		
- Interest rate swaps	<b>(9,303)</b>	(37,584)
- Cross-currency interest rate swaps	<b>(5,401)</b>	14,670
	<b>(14,704)</b>	(22,914)
	<b>(23,677)</b>	11,868
At end of period/year	<b>(12,347)</b>	11,330

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

**21. Dividends**

	<b>Unaudited 1 January 2025 to 30 June 2025 US\$'000</b>	<b>Unaudited 1 January 2024 to 30 June 2024 US\$'000</b>
<b>Declared and paid during the period:</b>		
Final dividend for 2024: US\$0.2670 (2023: US\$0.2721) per share	<b>185,301</b>	188,840
<b>Proposed as at 30 June:</b>		
Interim dividend for 2025: US\$0.1476 (2024: US\$0.1988) per share	<b>102,436</b>	137,969

At the Annual General Meeting held on 29 May 2025, the shareholders approved a final dividend of US\$0.2670 per ordinary share, which amounted to US\$185.3 million, in respect of the profit for the year ended 31 December 2024. This dividend was paid in June 2025.

At a meeting on 21 August 2025, the directors declared an interim dividend of US\$0.1476 per ordinary share for the period ended 30 June 2025 amounting to US\$102.4 million. This declared interim dividend is not reflected as a dividend payable in these interim financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2025.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 22. Commitments

### (a) Operating lease commitments

*Operating lease commitments - As lessor*

#### Aircraft

The Group leases its aircraft under operating lease agreements that are non-cancellable.

Future net minimum lease receivables under the non-cancellable operating leases for existing aircraft are as follows:

	Unaudited 30 June 2025 US\$ million	Audited 31 December 2024 US\$ million
Within one year	1,900	1,858
Between one and two years	1,861	1,825
Between two and three years	1,813	1,733
Between three and four years	1,734	1,687
Between four and five years	1,542	1,517
More than five years	4,600	4,274
	<b>13,450</b>	<b>12,894</b>

Future net minimum lease receivables committed for aircraft yet to be delivered are as follows:

	Unaudited 30 June 2025 US\$ million	Audited 31 December 2024 US\$ million
Within one year	96	165
Between one and two years	193	303
Between two and three years	258	336
Between three and four years	282	346
Between four and five years	285	346
More than five years	2,256	2,500
	<b>3,370</b>	<b>3,996</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 22. Commitments (cont'd)

### (b) Finance lease commitments

#### Finance lease commitments - As lessor

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Within one year	759,546	1,007,341
Between one and two years	467,084	399,025
Between two and three years	468,012	399,606
Between three and four years	488,084	426,280
Between four and five years	477,035	414,694
More than five years	3,020,095	2,643,642
Total undiscounted minimum lease payments	5,679,856	5,290,588
Less: Amounts representing unearned finance income	(1,708,189)	(1,544,119)
Net investment in finance leases	3,971,667	3,746,469

The scheduled finance lease receivables are as follows:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Finance lease receivables	3,971,667	3,746,469
Less: Current portion	(506,620)	(773,770)
	3,465,047	2,972,699
Less: Allowance for expected credit losses	—	(12)
Non-current portion	3,465,047	2,972,687

The effective interest rates on the finance lease receivables was 6.9% per annum for the period ended 30 June 2025 (for the year ended 31 December 2024: 7.2%). Interest income from finance leases during the period ended 30 June 2025 was US\$130.2 million (2024: US\$96.0 million).

As there has been no significant increase in the risk of default since initial recognition, these finance lease receivables are included under Stage 1 for the purpose of loss allowance calculation. The Group assesses that there is no material expected credit loss.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

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## 22. Commitments (cont'd)

### *(c) Capital expenditure commitments*

As at 30 June 2025, the Group had committed to purchase various aircraft delivering between 2025 and 2032. The amount of future commitments under purchase agreements, purchase and leaseback and finance lease agreements, including assumed escalation to delivery, was US\$19.8 billion to the end of 2032 (31 December 2024: US\$12.1 billion to the end of 2030). This includes all commitments to purchase aircraft, including those where an airline has a right to acquire the relevant aircraft on delivery.

## 23. Contingent liabilities

### *Guarantees of subsidiary companies' obligations*

The Company has provided guarantees for certain loans and borrowings of its subsidiary companies and for obligations under certain lease agreements entered into by the subsidiary companies. As at 30 June 2025, the guarantees for loans and borrowings to subsidiary companies amounted to approximately US\$7.6 billion (31 December 2024: US\$6.4 billion). The guarantees are callable on demand if there is a default by the relevant subsidiary of its obligations under its loans and borrowings guaranteed by the Company.

## 24. Related party transactions

The Group is majority owned by Bank of China Limited which is controlled by Central Huijin, a wholly owned subsidiary of CIC, which is a wholly state-owned company in the PRC. Central Huijin and CIC have equity interests in certain other entities in the PRC. Bank of China Limited is indirectly subject to the control of the State Council of the PRC Government through CIC and Central Huijin. The State Council of the PRC Government directly or indirectly controls a significant number of entities through its government authorities, agencies, affiliates and other state-controlled entities.

The Group enters into leasing, purchase and leaseback, borrowing and other transactions with certain state-owned or state-controlled entities mentioned above in the normal course of business and on commercial terms.

The Group considers only those entities known to management to be a subsidiary company, associate or joint venture of Central Huijin to be related parties of the Group.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

**24. Related party transactions (cont'd)**

In addition to the information disclosed elsewhere in these interim financial statements, the following significant transactions took place between the Group and related parties in the normal course of business on terms agreed between the parties:

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
<b>Costs and expenses</b>		
(a) Intermediate holding company:		
Interest expense	26,556	32,694
(b) Other related parties:		
Interest expense	70,840	72,779
Debt issue costs	3,758	3,300
<b>Dividend paid to immediate holding company</b>	129,711	132,188
	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Balances</b>		
(a) Intermediate holding company:		
Accrued interest expense	2,007	3,369
Lease liabilities	1,403	1,404
(b) Other related parties:		
Accrued interest expense	11,432	14,358
Lease liabilities	2,862	2,901

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

**24. Related party transactions (cont'd)**

	Unaudited 1 January 2025 to 30 June 2025 US\$'000	Unaudited 1 January 2024 to 30 June 2024 US\$'000
<b><i>Directors' and key executives' remuneration paid during the period</i></b>		
(a) Directors of the Company:		
Salary, fees, bonuses and other costs	4,303	5,959
CPF and other defined contributions	12	11
	4,315	5,970
(b) Key executives (excluding executive directors):		
Salary, bonuses and other costs	4,877	5,594
CPF and other defined contributions	34	123
	4,911	5,717

During the period ended 30 June 2025, the share-based compensation expense for directors of the Company and key executives of the Group amounted to US\$0.5 million (2024: US\$2.8 million) and US\$1.6 million (2024: US\$0.8 million), respectively.

As at 30 June 2025, US\$1.5 million (31 December 2024: US\$5.0 million) of deferred bonuses were payable to directors of the Company and key executives of the Group.

As at 30 June 2025, 1,861,638 (31 December 2024: 1,344,612) of RSUs had been granted to directors of the Company and key executives of the Group but had not vested.

**25. Financial risk management objectives and policies**

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk and foreign exchange risk. The Group reviews and agrees policies for managing each of these risks.

There has been no significant change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 26. Capital management

The primary objective of the Group's capital management is to maximise shareholder value given an optimal debt to equity structure.

The Group manages its capital structure through the use of equity and debt after taking into account its capital expenditure and financing requirements. To maintain or adjust the capital structure, the Group may request for additional capital from the shareholders, adjust dividend payments to the shareholders or return capital to the shareholders. The changes in share capital and dividends are disclosed in Note 19 and Note 21 respectively. There were no changes made in the objectives, policies and processes during the period from 1 January 2025 to 30 June 2025 and the year ended 31 December 2024.

The Group monitors its gross debt to equity, which is gross debt divided by total equity, to ensure that it complies with the debt to equity covenants in its loan facilities and to maintain its investment grade credit rating. Gross debt comprises the Group's loans and borrowings before adjustments for deferred debt issue costs, fair values, revaluations and discounts/premiums on medium term notes. Total equity refers to the equity attributable to owners of the Company.

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
Gross debt	16,967,087	16,668,014
Total equity	6,499,466	6,362,544
Gross debt to equity (times)	2.6	2.6

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 27. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. There were no dilutive potential ordinary shares as at 30 June 2025 and 30 June 2024.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Unaudited 1 January 2025 to 30 June 2025	Unaudited 1 January 2024 to 30 June 2024
<b>Earnings</b>		
Earnings used in the computation of basic and diluted earnings per share (profit for the period attributable to owners of the Company) (US\$'000)	<b>341,503</b>	459,999
<b>Number of shares</b>		
Weighted average number of ordinary shares of basic and diluted earnings per share computation ('000)	<b>694,010</b>	694,010
<b>Basic earnings per share (US\$)</b>	<b>0.49</b>	0.66
<b>Diluted earnings per share (US\$)</b>	<b>0.49</b>	0.66

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 28. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the Senior Management. Senior Management assesses the financial performance and position of the Group and uses the information to support strategic decisions.

All revenues are derived from the Group's principal activities of aircraft leasing, management of aircraft leases and other related activities. There is no known seasonality of the Group's contracted revenues. The main revenue and assets are analysed by geographical region as follows:

### (a) Lease rental income

Lease rental income is derived from leasing of aircraft on operating lease to various airline customers around the world. The distribution of lease rental income by geographic region based on the jurisdiction of each airline customer under the relevant operating lease was as follows:

	Unaudited 1 January 2025 to 30 June 2025		Unaudited 1 January 2024 to 30 June 2024	
	US\$ million	%	US\$ million	%
Asia Pacific (excluding Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan)	198	21.1	211	22.7
Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan	202	21.6	225	24.3
Americas	260	27.7	211	22.7
Europe	160	17.1	168	18.1
Middle East and Africa	117	12.5	113	12.2
	<b>937</b>	<b>100.0</b>	<b>928</b>	<b>100.0</b>

The lease rental income attributable to airline customers in Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan accounted for 21.6%, and United States of America accounted for 17.8%, of the total lease rental income (2024: Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan accounted for 24.3%, and United States of America accounted for 15.8%, of the total lease rental income). Other than as disclosed above, there was no other country concentration in excess of 10% of the total lease rental income for the periods ended 30 June 2025 and 30 June 2024.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 28. Segmental analysis (cont'd)

### (b) Net book value of aircraft and finance lease receivables

The distribution of net book value of aircraft and finance lease receivables by geographic region based on the jurisdiction of each airline customer under the relevant lease was as follows:

	Unaudited 30 June 2025		Audited 31 December 2024	
	US\$ million	%	US\$ million	%
Asia Pacific (excluding Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan)	4,255	19.2	4,585	21.1
Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan	3,998	18.0	4,213	19.3
Americas	8,374	37.8	7,313	33.6
Europe	3,384	15.3	3,556	16.3
Middle East and Africa	2,150	9.7	2,109	9.7
	<b>22,161</b>	<b>100.0</b>	<b>21,776</b>	<b>100.0</b>

The net book value of aircraft leased to airline customers and finance lease receivables from airline customers in Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan accounted for 18.0% (31 December 2024: 19.3%), and United States of America accounted for 27.7% (31 December 2024: 25.3%), of the total net book value and finance lease receivables as at 30 June 2025. Other than as disclosed above, there was no other country concentration in excess of 10% of total net book value and finance lease receivables as at 30 June 2025 and 31 December 2024.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

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## 29. Classification of financial instruments and their fair values

The carrying amounts of each category of financial assets and financial liabilities, as defined in IFRS 9/SFRS(I) 9, are disclosed either in the statement of financial position or in the notes to the financial statements.

Financial assets measured at amortised cost comprise trade receivables (Note 10), other receivables (Note 11), short-term deposits<sup>1</sup> (Note 12), cash and bank balances (Note 12) and finance lease receivables (Note 22(b)).

As at 30 June 2025, the financial assets measured at amortised cost for the Group were US\$4,617.2 million (31 December 2024: US\$4,633.7 million).

Financial liabilities measured at amortised cost comprise trade and other payables (Note 14), loans and borrowings (Note 16), security deposits and other non-current liabilities<sup>2</sup>.

As at 30 June 2025, the financial liabilities measured at amortised cost for the Group were US\$17,421.2 million (31 December 2024: US\$16,960.6 million).

<sup>1</sup> Excluding investment in money market funds.

<sup>2</sup> Excluding bonuses and related employers' contributions payable and provided for under the staff cash incentive plans.

### (a) Financial instruments carried at fair values

Financial assets and liabilities at fair value through profit or loss comprise derivative financial instruments (Note 17) and investment in money market funds classified as short-term deposits (Note 12).

Financial assets at fair value through other comprehensive income comprise investment in equity instruments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the derivative financial instruments and investment in money market funds under the Group are classified under Level 2 of the fair value hierarchy. The fair values of the derivative financial instruments are determined with reference to marked-to-market values based on valuation techniques that use data from observable markets. The fair values of investment in money market funds are determined by reference to marked-to-market values provided by counterparties. The fair value of investment in equity instruments are classified under Level 1 of the fair value hierarchy and are determined by reference to market price quoted in the stock exchange. There were no transfers between Levels 1, 2 and 3 during the period ended 30 June 2025 and the year ended 31 December 2024.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

## 29. Classification of financial instruments and their fair values (cont'd)

### (b) *Financial instruments whose carrying amounts approximate fair values*

Management has determined that except for derivative financial instruments, the carrying amounts of its current financial assets and liabilities, reasonably approximate their fair values because these are mostly short-term in nature or are repriced frequently.

Non-current loans and borrowings (excluding non-current medium term notes as disclosed in Note 29(c) below) reasonably approximate their fair values for those that are at floating rate and are repriced to market interest rates on or near the end of each period/year.

Non-current finance lease receivables, trade receivables, notes receivables and receivables from airlines (Note 11) reasonably approximate their fair values as the implicit interest rate of each financial instrument approximates the market interest rate prevailing at the end of each period/year.

### (c) *Financial instruments not measured at fair value, for which fair value is disclosed*

Set out below is a comparison of carrying amounts and fair values of the Group's financial instruments not measured at fair value:

	Unaudited 30 June 2025 US\$'000	Audited 31 December 2024 US\$'000
<b>Medium term notes:</b>		
Carrying amounts	7,558,135	8,914,752
Fair values	7,561,767	8,742,835

As at 30 June 2025, the fair value measurements of the above financial instruments were classified under Level 1 of the fair value hierarchy as these amounts were based on quoted prices, except for the carrying amount of US\$159.8 million (31 December 2024: US\$159.7 million) with fair value of US\$161.9 million (31 December 2024: US\$157.7 million) which was classified under Level 2 of the fair value hierarchy as it was determined based on indicative bid price obtained from a counterparty.

## 30. Authorisation of interim financial statements for issue

The interim financial statements for the period from 1 January 2025 to 30 June 2025 were authorised for issue in accordance with a resolution of the directors passed on 21 August 2025.