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CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

March 2020 Traffic Figures

The appended press release contains combined traffic figures for March 2020 for Cathay Pacific Airways Limited (“**Cathay Pacific**”) and its wholly owned subsidiary, Hong Kong Dragon Airlines Limited (“**Cathay Dragon**”). The information in the press release may be price sensitive. This announcement containing the press release is accordingly being issued pursuant to Part XIVA of the Securities and Futures Ordinance. The information in the press release has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

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Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: Patrick Healy (Chairman), Gregory Hughes, Ronald Lam, Martin Murray, Augustus Tang;

Non-Executive Directors: Cai Jianjiang, Michelle Low, Song Zhiyong, Merlin Swire, Samuel Swire, Xiao Feng, Zhang Zhuo Ping, Zhao Xiaohang;

Independent Non-Executive Directors: Bernard Chan, John Harrison, Robert Milton and Andrew Tung.

By Order of the Board

Cathay Pacific Airways Limited

Paul Chow

Company Secretary

Hong Kong, 16th April 2020

16 April 2020

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR MARCH 2020**

The Cathay Pacific Group today released combined Cathay Pacific and Cathay Dragon traffic figures for March 2020 that show drastic decreases in the number of passengers carried and the amount of cargo and mail uplifted compared to the same month in 2019. The trend reflected the capacity reductions for March 2020 as the global COVID-19 pandemic continued to intensify with more and tightened travel restrictions and quarantine requirements implemented in Hong Kong and other markets.

Cathay Pacific and Cathay Dragon carried a total of 311,128 passengers last month, a decrease of 90% compared to March 2019. The month's revenue passenger kilometres (RPKs) also fell 84.3% year-on-year. Passenger load factor slid by 34.6 percentage points to 49.3%, while capacity, measured in available seat kilometres (ASKs), decreased by 73.2%.

The two airlines carried 119,277 tonnes of cargo and mail last month, a decrease of 35.6% compared to March 2019. The month's revenue freight tonne kilometres (RFTKs) also fell 29% year-on-year. The cargo and mail load factor increased by 9 percentage points to 77.4%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 37.2%.

Passenger

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "Overall, we carried 90% fewer passengers in March and 52% fewer passengers in the first quarter than we did in the same periods last year. Though we remained agile in aligning capacity with demand, our load factor for the month nevertheless dropped to 49.3% only.

"We saw significant declines across all traffic types, though the drop in inbound passenger traffic was lessened in the third week of March, when we reinstated 13 flights to help residents and students from the UK and the US returning to Hong Kong.

"Passenger demand dropped rapidly and tremendously in late March following the introduction of arrival restrictions on all non-resident visitors to Hong Kong, including transit passengers. On each of the last two days of March we carried fewer than 1,000 passengers only.

Cargo

“While we continue to operate a full freighter schedule, our passenger flight reductions have had a significant impact on our overall cargo capacity. Our cargo volumes were down, but load factors and yield were up due to air cargo capacity reduction in the global market.

“To support global supply chains at this critical time, we have been adding cargo capacity in the form of more freighter flights as well as a total of 257 pairs of cargo-only passenger flights in March. We currently expect to operate a similar number of cargo-only passenger flights in April, including on some long-haul routes such as the Southwest Pacific where air cargo capacity is extremely tight.

“The resumption of production in mainland China saw exports from our home market Hong Kong and the mainland rebound following a weaker February. However, other transshipments were negatively impacted by lockdowns and emergency measures in various markets in the second half of the month, in particular the India sub-continent.

“Our commodity mix also changed with a surge in the transportation of medical supplies such as face masks, protective clothing, hand sanitiser and other pharmaceutical products. On the other hand, the volume of consumer goods such as garments and automobile parts declined.

Outlook

“As the economic impact of the global COVID-19 pandemic is intensifying, a recovery timeline in our customer demand remains impossible to predict. We still do not see an improvement in our advance passenger bookings and we are anticipating average daily passenger numbers to remain below 1,000 throughout April. On a typical day we would normally expect to carry some 100,000 passengers; earlier this week, this had dropped to 302 only on one day.

“In April and May, we will be operating a bare skeleton passenger flight schedule comprising 3% of our normal capacity. We are doing everything we can to reduce our expenditure and preserve cash for the coming months. We are exploring all options to ensure that the Cathay Pacific Group rides out this current storm, and is able to compete vigorously and to help Hong Kong recover when we emerge from this crisis.”

The full March figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	MAR	% Change	Cumulative	% Change
	2020	VS MAR 2019	MAR 2020	YTD
RPK (000)				
- Mainland China	31,672	-95.9%	748,655	-67.2%
- North East Asia	49,317	-96.6%	1,993,183	-52.9%
- South East Asia	219,270	-86.0%	2,272,364	-49.0%
- South Asia, Middle East & Africa	105,199	-88.2%	1,449,874	-46.6%
- South West Pacific	333,471	-72.1%	3,057,234	-28.3%
- North America	588,562	-80.6%	5,121,870	-42.8%
- Europe	449,046	-81.1%	3,699,234	-45.3%
RPK Total (000)	1,776,537	-84.3%	18,342,414	-45.5%
Passengers carried	311,128	-90.0%	4,329,784	-52.3%
Cargo and mail revenue tonne km (000)	743,757	-29.0%	2,297,210	-15.0%
Cargo and mail carried (000kg)	119,277	-35.6%	389,953	-19.3%
Number of flights	1,858	-73.3%	12,046	-40.8%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	MAR	% Change	Cumulative	% Change
	2020	VS MAR 2019	MAR 2020	YTD
ASK (000)				
- Mainland China	61,045	-93.8%	1,173,711	-59.6%
- North East Asia	134,318	-92.1%	2,897,619	-43.1%
- South East Asia	524,784	-71.2%	3,454,373	-34.5%
- South Asia, Middle East & Africa	262,680	-75.4%	2,278,996	-31.1%
- South West Pacific	635,873	-57.9%	4,245,221	-16.5%
- North America	1,148,927	-68.2%	7,167,574	-31.3%
- Europe	837,649	-69.6%	5,274,949	-34.0%
ASK Total (000)	3,605,276	-73.2%	26,492,443	-33.9%
Passenger load factor	49.3%	-34.6pt	69.2%	-14.7pt
Available cargo/mail tonne km (000)	960,608	-37.2%	3,431,636	-18.9%
Cargo and mail load factor	77.4%	9.0pt	66.9%	3.1pt
ATK (000)	1,303,498	-53.6%	5,950,332	-26.0%

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Glossary

Terms:

Available seat kilometres (“ASK”)

Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available tonne kilometres (“ATK”)

Overall capacity measured in tonnes available for the carriage of passengers, excess baggage, cargo and mail on each sector multiplied by the sector distance.

Available cargo/mail tonne kilometres

Cargo capacity measured in tonnes available for the carriage of cargo and mail on each sector multiplied by the sector distance.

Revenue passenger kilometres (“RPK”)

Number of passengers carried on each sector multiplied by the sector distance.

Cargo and Mail revenue tonne kilometres

Traffic volume, measured in load tonnes from the carriage of cargo and mail on each sector multiplied by the sector distance.

Ratio:

$$\text{Passenger/Cargo and mail load factor} = \frac{\text{Revenue passenger kilometres/} \\ \text{Cargo and mail revenue tonne kilometres}}{\text{Available seat kilometres/} \\ \text{Available cargo and mail tonne kilometres}}$$