

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CATHAY PACIFIC AIRWAYS LIMITED

國泰航空有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

April 2020 Traffic Figures

The appended press release contains combined traffic figures for April 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.

This announcement is issued by Cathay Pacific pursuant to Part XIVA of the Securities and Futures Ordinance.

The information in this announcement has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditors.

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, 15th May 2020

15 May 2020

FOR IMMEDIATE RELEASE

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

The Cathay Pacific Group today released combined Cathay Pacific and Cathay Dragon traffic figures for April 2020 that reflected the airlines' substantial 97% capacity reductions in response to significantly reduced demand as well as travel restrictions and quarantine requirements in place in Hong Kong and other markets amid the ongoing global COVID-19 pandemic.

Cathay Pacific and Cathay Dragon carried a total of 13,729 passengers last month, a decrease of 99.6% compared to April 2019. The month's revenue passenger kilometres (RPKs) fell 99.3% year-on-year. Passenger load factor plummeted by 62.3 percentage points to 21.7%, while capacity, measured in available seat kilometres (ASKs), decreased by 97.3%. In the first four months of 2020, the number of passengers carried dropped by 64.4% against a 49.9% decrease in capacity and a 59.1% decrease in RPKs, as compared to the same period for 2019.

The two airlines carried 84,634 tonnes of cargo and mail last month, a decrease of 48.3% compared to April 2019. The month's revenue freight tonne kilometres (RFTKs) fell 37.3% year-on-year. The cargo and mail load factor increased by 7.6 percentage points to 70.1%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 44.1%. In the first four months of 2020, the tonnage fell by 26.6% against a 25.4% drop in capacity and a 20.6% decrease in RFTKs, as compared to the same period for 2019.

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "The COVID-19 pandemic continues to impact us in an unprecedented way. Year-to-date up to April, we made an unaudited loss of HK\$4.5 billion at the full-service airline level (Cathay Pacific and Cathay Dragon) and the financial outlook continues to be very bleak for the coming few months at least.

Passenger

"We operated only a bare skeleton passenger flight schedule serving just 14 destinations in April. Passenger demand continued to fall during the month and we carried fewer than 500 passengers per day only. The ban on transit traffic through Hong Kong together with minimal demand for outbound travel meant that the majority of our very limited traffic came from inbound travellers, notably from North America and the UK.

Cargo

“Overall tonnage uplift in April dropped by almost a third compared to the previous month, it being particularly impacted by the further contraction of our belly capacity across our passenger network. The movement of certain cargo, such as perishables, seafood, live animals, industrial parts and equipment, was also negatively affected by lockdown measures around the world. Nevertheless, we continued to carry significant quantities of medical supplies from mainland China and Hong Kong.

“Significant effort was made to prioritise capacity for routings with the highest airfreight demand, most notably to the Americas, Australia and Europe. We also increased the utilisation of our existing freighter fleet, chartered more flights from our subsidiary Air Hong Kong, and successfully operated over 500 pairs of cargo-only passenger flights – more than double the number we operated in March. To further expand our available capacity, at the end of April we began loading cargo in the cabins of our Boeing 777 passenger aircraft, which we expect will serve long-haul markets especially well in the months to come. “

Outlook

The International Air Transport Association (IATA) released an updated analysis indicating that the COVID-19 crisis will see global airline passenger revenues drop by US\$314 billion in 2020, a 55% decline compared to 2019. Airlines in Asia Pacific will see the largest revenue drop of US\$113 billion and a 50% fall in passenger demand year-on-year.

Mr Lam said: “Industry bodies and analysts are now predicting a much more prolonged recovery for the global aviation industry, with international travel expected to pick up more slowly than domestic travel as border restrictions are only gradually eased. It is widely expected that international travel demand will only return to pre COVID-19 levels in a few years.

“As Hong Kong’s home carriers, we do not have the benefit of a domestic passenger network as a buffer. We already announced that we will continue to operate a minimal schedule over the next two months. Although it is our intention to slightly increase our passenger flight capacity from 3% in May to 5% in June, these are still subject to a potential relaxation in government health measures.

“At this stage, we still see no immediate signs of improvement. We expect that our average daily passenger numbers will remain at around 500 in May, and that business and leisure travel will remain severely impacted for the foreseeable future. Overall, we do not anticipate we will see a meaningful recovery for an extended period.

“This is the biggest challenge to aviation we have ever witnessed. We are evaluating all aspects of our business to ensure that we remain strong and competitive when we emerge from this crisis. The world has changed dramatically over the past few months and it is imperative that we do everything in our ability to adapt to this new world in order to secure our future within it.”

The full April figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	APR	% Change	Cumulative	% Change
	2020	VS ARP 2019	APR 2020	YTD
RPK (000)				
- Mainland China	1,822	-99.8%	750,477	-75.5%
- North East Asia	2,973	-99.8%	1,996,156	-65.0%
- South East Asia	9,062	-99.4%	2,281,426	-61.9%
- South Asia, Middle East & Africa	-	-100.0%	1,449,874	-59.7%
- South West Pacific	8,926	-99.3%	3,066,160	-45.5%
- North America	33,883	-98.8%	5,155,752	-56.3%
- Europe	23,133	-99.1%	3,722,367	-59.6%
RPK Total (000)	79,799	-99.3%	18,422,212	-59.1%
Passengers carried	13,729	-99.6%	4,343,513	-64.4%
Cargo and mail revenue tonne km (000)	568,988	-37.3%	2,866,197	-20.6%
Cargo and mail carried (000kg)	84,634	-48.3%	474,587	-26.6%
Number of flights	1,121	-83.7%	13,167	-51.7%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	APR	% Change	Cumulative	% Change
	2020	VS ARP 2019	APR 2020	YTD
ASK (000)				
- Mainland China	23,279	-97.6%	1,196,991	-69.2%
- North East Asia	22,073	-98.8%	2,919,692	-57.5%
- South East Asia	66,823	-96.3%	3,521,196	-50.3%
- South Asia, Middle East & Africa	-	-100.0%	2,278,996	-47.4%
- South West Pacific	35,999	-97.6%	4,281,219	-34.8%
- North America	115,038	-96.7%	7,282,612	-47.8%
- Europe	105,132	-96.4%	5,380,081	-50.6%
ASK Total (000)	368,344	-97.3%	26,860,787	-49.9%
Passenger load factor	21.7%	-62.3pt	68.6%	-15.4pt
Available cargo/mail tonne km (000)	811,393	-44.1%	4,243,029	-25.4%
Cargo and mail load factor	70.1%	7.6pt	67.6%	4.1pt
ATK (000)	846,422	-69.0%	6,796,753	-37.0%

Media Contact:

Email: press@cathaypacific.com Tel: +852 2747 5393

Cathay Pacific website: www.cathaypacific.com

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:

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