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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)

November 2020 Traffic Figures

The appended press release contains traffic figures for November 2020 for Cathay Pacific Airways Limited (“**Cathay Pacific**”). 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 December 2020

16 December 2020

FOR IMMEDIATE RELEASE

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR NOVEMBER 2020

Cathay Pacific today released its traffic figures for November 2020 that continued to reflect the airline's substantial 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 carried a total of 37,815 passengers last month, a decrease of 98.6% compared to November 2019. The month's revenue passenger kilometres (RPKs) fell 97.9% year-on-year. Passenger load factor dropped by 61.5 percentage points to 18.5%, while capacity, measured in available seat kilometres (ASKs), decreased by 90.9%. In the first 11 months of 2020, the number of passengers carried by Cathay Pacific and Cathay Dragon dropped by 85.8% against a 77.7% decrease in capacity and an 83.8% decrease in RPKs, as compared to the same period for 2019.

Cathay Pacific carried 116,853 tonnes of cargo and mail last month, a decrease of 34.3% compared to November 2019. The month's revenue freight tonne kilometres (RFTKs) fell 26.2% year-on-year. The cargo and mail load factor increased by 9.0 percentage points to 77.7%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 34.7%. In the first 11 months of 2020, the tonnage carried by Cathay Pacific and Cathay Dragon fell by 34.3% against a 35.3% drop in capacity and a 27.2% decrease in RFTKs, as compared to the same period for 2019.

Passenger

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "We are still not seeing any meaningful improvement in our passenger business. On average, we carried just 1,261 passengers per day and load factor remained low at 18.5% – both marginal increases over October.

"While we saw reasonably good traffic coming back to Hong Kong from Canada and Australia, this was prior to the implementation of new government quarantine requirements in the middle of the month. Meanwhile, overall demand on long-haul routes, particularly the UK and continental Europe, remained weak owing to the ongoing impact of COVID-19 in many European countries."

"Regionally, certain markets performed slightly better. The uptick in traffic to and from Indonesia that we had been seeing in October continued into November. Demand from the Chinese mainland for flights to Japan was also promising with it being particularly noticeable on our newly resumed Osaka flights. And while the postponement of our Hong Kong-Singapore Air Travel Bubble (ATB) flights was disappointing, we fully support the decision of the authorities and have resumed our previous schedule of three non-ATB flights per week to and from Singapore until the end of December."

Cargo

“Cargo demand further strengthened in November, largely driven by strong e-commerce traffic as well as solid movement of electronic products, perishables and automotive shipments across our network. We also continue to work on customised solutions for our business partners and notably we have commenced a series of chartered freighter flights serving Riyadh in Saudi Arabia.”

“We have been utilising our freighter resources to their fullest while also mounting 728 pairs of cargo only passenger flights. This was 152 pairs – or 26% – more than we operated in October, and 30 of these carried cargo in the passenger cabins. Meanwhile, load factor remained high at 77.7%.”

Outlook

“Looking ahead on the passenger front, we still are not seeing significant demand for travel as we head towards the end of 2020 – traditionally a strong travel season in the year. Demand continues to weaken on long-haul routes and we anticipate we will rely more on traffic on regional services in the immediate future. Given the slow speed of recovery, we expect to operate about 9% of pre-COVID-19 capacity in December and slightly above 10% in January 2021.

“The December capacity results in the average capacity for the second half of 2020 being 8.4% of pre-COVID-19 level, compared to the average capacity of 34.3% in the first half. This, together with the additional restructuring and impairment costs announced in October, and further aircraft impairment at year-end, is expected to result in the second-half losses being significantly higher than the first-half losses reported in our interim accounts.

“From a cargo perspective, we will soon launch a seasonal cargo service into Hobart in Australia beginning mid-December to support exports of fresh produce from Tasmania into different parts of Asia. In terms of specialised products, the airline along with our cargo terminal and ground-handling subsidiaries have been re-certified with IATA’s CEIV Pharma accreditation, and we are actively preparing ourselves to meet the challenge of shipping temperature- and time-sensitive vaccines across our network when the time arises.”

The full November figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	NOV	% Change	Cumulative	% Change
	2020	VS NOV 2019	NOV 2020	YTD
RPK (000)				
- Chinese mainland	10,326	-98.1%	801,044	-89.6%
- North East Asia	9,597	-99.2%	2,040,209	-86.2%
- South East Asia	20,994	-98.5%	2,408,914	-84.8%
- South Asia, Middle East & Africa	-	-100.0%	1,449,874	-84.7%
- South West Pacific	20,568	-98.3%	3,217,871	-77.5%
- North America	88,519	-96.6%	5,752,486	-82.6%
- Europe	60,099	-97.1%	4,185,101	-84.8%
RPK Total (000)	210,103	-97.9%	19,855,499	-83.8%
Passengers carried	37,815	-98.6%	4,591,266	-85.8%
Cargo and mail revenue tonne km (000)	737,454	-26.2%	7,524,638	-27.2%
Cargo and mail carried (000kg)	116,853	-34.3%	1,211,427	-34.3%
Number of flights	1,479	-76.2%	22,118	-70.3%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	NOV	% Change	Cumulative	% Change
	2020	VS NOV 2019	NOV 2020	YTD
ASK (000)				
- Chinese mainland	48,755	-94.3%	1,466,166	-86.0%
- North East Asia	33,445	-97.8%	3,137,599	-83.4%
- South East Asia	95,452	-94.6%	4,150,481	-78.8%
- South Asia, Middle East & Africa	-	-100.0%	2,278,996	-80.4%
- South West Pacific	162,958	-88.9%	5,088,028	-69.8%
- North America	470,053	-85.1%	10,264,231	-74.4%
- Europe	322,845	-87.2%	7,003,894	-78.1%
ASK Total (000)	1,133,508	-90.9%	33,389,395	-77.7%
Passenger load factor	18.5%	-61.5pt	59.5%	-22.6pt
Available cargo/mail tonne km (000)	949,553	-34.7%	10,398,330	-35.3%
Cargo and mail load factor	77.7%	9.0pt	72.4%	8.1pt
ATK (000)	1,057,366	-59.9%	13,573,290	-55.2%

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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:

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