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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)

**December 2020 Traffic Figures  
and Estimated Impact of Latest Quarantine Measures**

The appended press release contains traffic figures for December 2020 and estimated impact of latest quarantine measures 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, Rebecca Sharpe, Augustus Tang;

Non-Executive Directors: 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, 25th January 2021

25 January 2021

**FOR IMMEDIATE RELEASE**

**CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR DECEMBER 2020  
AND ESTIMATED IMPACT OF LATEST QUARANTINE MEASURES**

Cathay Pacific today released its traffic figures for December 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 39,989 passengers last month, a decrease of 98.7% compared to December 2019. The month's revenue passenger kilometres (RPKs) fell 98.1% year-on-year. Passenger load factor dropped by 66.6 percentage points to 18.4%, while capacity, measured in available seat kilometres (ASKs), decreased by 91.2%. For 2020 as a whole, the number of passengers carried by Cathay Pacific and Cathay Dragon dropped by 86.9% against a 78.8% decrease in capacity and an 85.1% decrease in RPKs, as compared to 2019.

Cathay Pacific carried 120,218 tonnes of cargo and mail last month, a decrease of 32.3% compared to December 2019. The month's revenue freight tonne kilometres (RFTKs) fell 23.7% year-on-year. The cargo and mail load factor increased by 13.9 percentage points to 80.3%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 36.9%. For 2020 as a whole, the tonnage carried by Cathay Pacific and Cathay Dragon fell by 34.1% against a 35.5% drop in capacity and a 26.5% decrease in RFTKs, as compared to 2019.

**Passenger**

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "Our passenger business continues to face significant challenges. We increased capacity by about 8% in December compared to November as we gradually added capacity on flights serving North America, the South Pacific and some regional routes. Overall, average daily passenger numbers and load factor in December both remained low at 1,290 and 18.4%, respectively.

"In the first half of December, we saw some good demand for student travel from the UK to Hong Kong for the festive holiday period. However, our passenger business was notably impacted in the second half of the month when the Hong Kong SAR Government implemented a ban on flights from the UK to Hong Kong on 22 December amid the surge of COVID-19 cases in the UK, together with the change from 14 days' to 21 days' mandatory quarantine in designated hotels for arrivals into Hong Kong. On 28 December we carried just 490 passengers in total – the lowest number in a single day since 15 June. While some flights from Hong Kong to the UK have resumed as of January, flights from the UK to Hong Kong remain suspended.

## **Cargo**

“Cargo had a relatively good finish to 2020, in line with the overall positive performance seen in the second half of the year. December tonnage was up month-on-month by about 3%, with exports from the Chinese mainland and Hong Kong holding up for longer than is normally expected at the end of the year. The overall buoyancy of the market ensured that load factors continued to grow, averaging 80.3% in December – the highest monthly average in 2020. The imbalance in the market between demand and available capacity created an ongoing need for cargo-only passenger flights prior to Christmas, and overall in December we operated 713 pairs of these flights – only slightly fewer than in our peak month of November.

“Network traffic feed from Northeast Asia and the Southwest Pacific was also encouraging with good movements of priority cargo and special products. We launched a seasonal cargo service into Hobart, Australia last month transporting high-quality fresh produce from Tasmania’s capital city to various parts of Asia. We also launched a new scheduled freighter service between Hong Kong and Riyadh in January to meet the strong demand for shipments of e-commerce and other general cargo such as garments.

“We have also made all necessary preparations to ensure we are able to contribute to the vital mission of transporting COVID-19 vaccine shipments around the world with the development of our dedicated vaccine solution: [cargoclan.cathaypacificcargo.com/vaccine-solution](http://cargoclan.cathaypacificcargo.com/vaccine-solution). This solution builds on our many years of experience in transporting pharmaceutical shipments, and we stand ready to assist with our extensive freighter network.

## **Outlook**

“Effective later within February 2021, the Hong Kong SAR Government will implement a new 14-day hotel quarantine plus 7-day medical surveillance requirement for both our Hong Kong-based pilots and cabin crew. The new measure will have a significant impact on our ability to service our passenger and cargo markets. The actual extent of such impact is yet to be confirmed and will be affected by a number of factors, including the success of mitigation measures we are able to adopt, such as agile manpower resources management. At this stage, our preliminary assessment is that the new measure may result in a reduction of current passenger capacity of around 60%, a reduction of current cargo capacity of around 25% and a further increase in our cash burn of approximately HK\$300-\$400 million per month, on top of our current HK\$1.0-1.5 billion levels.”

The full December and 2020 figures are on the next page.

CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC	DEC	% Change	Cumulative	% Change
	2020	VS DEC 2019	DEC 2020	YTD
RPK (000)				
- Chinese mainland	11,309	-97.9%	812,353	-90.1%
- North East Asia	8,711	-99.4%	2,048,921	-87.4%
- South East Asia	21,953	-98.7%	2,430,866	-86.1%
- South Asia, Middle East & Africa	-	-100.0%	1,449,874	-86.2%
- South West Pacific	24,934	-98.6%	3,242,805	-79.8%
- North America	87,698	-97.2%	5,840,185	-83.8%
- Europe	69,176	-96.9%	4,254,276	-85.7%
RPK Total (000)	223,781	-98.1%	20,079,280	-85.1%
Passengers carried	39,989	-98.7%	4,631,255	-86.9%
Cargo and mail revenue tonne km (000)	747,356	-23.7%	8,309,309	-26.5%
Cargo and mail carried (000kg)	120,218	-32.3%	1,331,645	-34.1%
Number of flights	1,503	-77.4%	23,621	-70.9%

CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY	DEC	% Change	Cumulative	% Change
	2020	VS DEC 2019	DEC 2020	YTD
ASK (000)				
- Chinese mainland	45,360	-94.7%	1,511,526	-86.7%
- North East Asia	43,569	-97.4%	3,181,169	-84.5%
- South East Asia	107,125	-94.5%	4,257,606	-80.2%
- South Asia, Middle East & Africa	-	-100.0%	2,278,996	-82.2%
- South West Pacific	253,083	-86.9%	5,341,111	-71.6%
- North America	497,902	-85.8%	10,762,132	-75.3%
- Europe	272,473	-89.7%	7,276,366	-79.0%
ASK Total (000)	1,219,512	-91.2%	34,608,906	-78.8%
Passenger load factor	18.4%	-66.6pt	58.0%	-24.3pt
Available cargo/mail tonne km (000)	930,811	-36.9%	11,329,141	-35.5%
Cargo and mail load factor	80.3%	13.9pt	73.3%	8.9pt
ATK (000)	1,046,822	-62.4%	14,620,112	-55.8%

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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:

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