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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)

February 2021 Traffic Figures

The appended press release contains traffic figures for February 2021 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, 12th March 2021

12 March 2021

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR FEBRUARY 2021**

Cathay Pacific today released its traffic figures for February 2021 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 21,134 passengers last month, a decrease of 97.9% compared to February 2020. The month's revenue passenger kilometres (RPKs) fell 98% year-on-year. Passenger load factor dropped by 39.2 percentage points to 13.9%, while capacity, measured in available seat kilometres (ASKs), decreased by 92.4%. In the first two months of 2021, the number of passengers carried dropped by 98.7% against a 92% decrease in capacity and a 98.5% decrease in RPKs, as compared to the same period for 2020.

The airline carried 82,297 tonnes of cargo and mail last month, a decrease of 30.7% compared to February 2020. The month's revenue freight tonne kilometres (RFTKs) fell 26.2% year-on-year. The cargo and mail load factor increased by 13 percentage points to 79.5%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 38.3%. In the first two months of 2021, the tonnage fell by 29.4% against a 39.7% drop in capacity and a 23.8% decrease in RFTKs, as compared to the same period for 2020.

Passenger

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "February was a particularly challenging month with the introduction of new mandatory quarantine measures for our Hong Kong-based aircrew from 20 February. This has had a significant impact on our ability to service our passenger markets. Even before that, passenger demand was very weak over the Chinese New Year holiday.

"Daily passenger numbers trended downwards throughout the month, reaching a considerable low of just 348 passengers carried on 22 February. We carried an average of just 755 passengers per day in February, a significant decline from the already low 981 passengers we carried per day the previous month. Overall, our February passenger capacity was down 41% compared to January and load factor was static at just 13.9%.

Cargo

“We saw strong cargo demand in the first 10 days of February driven by the pre-Chinese New Year holiday rush, particularly in the Chinese mainland market. As a result, we saw increased use of our Priority LIFT product across the network as customers sought space for their time-sensitive shipments. As was expected, cargo volumes dipped over the Chinese New Year period, though not as drastically as in previous years due to fewer factories remaining closed during this time.

”Demand did begin to recover towards the end of the month, but this was impacted by the introduction of the tightened crew quarantine measures. These measures also have a notable impact on our capacity and therefore our tonnage carried. Overall in February, capacity dipped month-on-month by 23%, while load factor remained high at 79.5%.

“We are very pleased to have flown the first shipments of Sinovac and Fosun Pharma/BioNTech COVID-19 vaccines into Hong Kong in February, showcasing the capabilities of our Vaccine Solution. We also carried a variety of vaccines from both Europe and the Chinese mainland into Malaysia and Mexico.

Outlook

“As the pace of recovery in demand for international travel remains highly uncertain and with the new quarantine requirements for our Hong Kong-based aircrew remaining in place, we will continue to operate a skeleton passenger flight schedule until at least the end of this month. We anticipate that the average number of passengers carried per day in March will remain low at below 600.

“We have said that we expect to operate well under a quarter of pre-pandemic passenger flight capacity in the first half of 2021, and below 50% for the entire year, and this projection remains largely valid. We are still in a very dynamic situation and we will have to continue to be agile in our response.

“Regarding cargo, we are well-placed to handle future COVID-19 vaccine shipments and continue assisting with the global rollout of vaccines. Despite our immediate challenges, we expect to see a strong cargo performance in 2021, much as we did in 2020.”

The full February figures are on the next page.

AIRLINES COMBINED TRAFFIC	FEB 2021	% Change VS FEB 2020	Cumulative FEB 2021	% Change YTD
RPK (000)				
- Chinese mainland	6,398	-93.1%	15,061	-97.9%
- North East Asia	3,571	-99.4%	10,585	-99.5%
- South East Asia	15,925	-96.9%	35,142	-98.3%
- South Asia, Middle East & Africa	-	-100.0%	-	-100.0%
- South West Pacific	10,814	-98.9%	32,364	-98.8%
- North America	46,534	-96.5%	127,422	-97.2%
- Europe	10,914	-98.9%	25,637	-99.2%
RPK Total (000)	94,156	-98.0%	246,211	-98.5%
Passengers carried	21,134	-97.9%	51,544	-98.7%
Cargo and mail revenue tonne km (000)	514,987	-26.2%	1,184,483	-23.8%
Cargo and mail carried (000kg)	82,297	-30.7%	191,227	-29.4%
Number of flights	958	-72.9%	2,215	-78.3%

AIRLINES COMBINED CAPACITY	FEB 2021	% Change VS FEB 2020	Cumulative FEB 2021	% Change YTD
ASK (000)				
- Chinese mainland	36,426	-83.1%	83,154	-92.5%
- North East Asia	39,445	-96.1%	88,359	-96.8%
- South East Asia	88,554	-91.7%	196,109	-93.3%
- South Asia, Middle East & Africa	-	-100.0%	-	-100.0%
- South West Pacific	180,611	-88.7%	488,734	-86.5%
- North America	271,103	-88.9%	755,394	-87.4%
- Europe	63,047	-96.4%	212,050	-95.2%
ASK Total (000)	679,186	-92.4%	1,823,800	-92.0%
Passenger load factor	13.9%	-39.2pt	13.5%	-58.9pt
Available cargo/mail tonne km (000)	647,442	-38.3%	1,490,293	-39.7%
Cargo and mail load factor	79.5%	13.0pt	79.5%	16.6pt
ATK (000)	712,041	-62.5%	1,663,763	-64.2%

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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:

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