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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)

July 2021 Traffic Figures

The appended press release contains traffic figures for July 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: Ma Chongxian, Martin Murray, 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

Joanna Lai

Company Secretary

Hong Kong, 13 August 2021

13 August 2021

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES TRAFFIC FIGURES
FOR JULY 2021**

Cathay Pacific today released its traffic figures for July 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 54,092 passengers last month, an increase of 25.8% compared to July 2020, but a 98.4% decrease compared to the pre-pandemic level in July 2019. The month's revenue passenger kilometres (RPKs) rose 22.6% year-on-year, but were down 97.6% versus July 2019. Passenger load factor increased by 5.1 percentage points to 28.5%, while capacity, measured in available seat kilometres (ASKs), increased by 0.7%, but remained 92.9% down on July 2019 levels. In the first seven months of 2021, the number of passengers carried dropped by 95.2% against an 81.9% decrease in capacity and a 94.3% decrease in RPKs, as compared to the same period for 2020.

The airline carried 121,600 tonnes of cargo and mail last month, an increase of 19.1% compared to July 2020, but a 28.4% decrease compared with the same period in 2019. The month's revenue freight tonne kilometres (RFTKs) rose 17.8% year-on-year, but were down 20.8% compared to July 2019. The cargo and mail load factor increased by 5.4 percentage points to 81.8%, while capacity, measured in available freight tonne kilometres (AFTKs), was up by 10.1% year-on-year, but was down 38.9% versus July 2019. In the first seven months of 2021, the tonnage decreased by 12.7% against a 26.7% drop in capacity and a 15.2% decrease in RFTKs, as compared to the same period for 2020.

Passenger

Chief Customer and Commercial Officer Ronald Lam said: "Our passenger capacity in July dropped slightly by 3% month-on-month. We operated only 7.1% of our July 2019 pre-pandemic passenger capacity. We did see some improvements in demand. We carried a total of 54,092 passengers in July, averaging 1,745 per day. On 29 July, we carried 2,585 passengers, the most in a single day so far in 2021. Meanwhile, our passenger load factor of 28.5% was the highest it's been over the past 12 months.

"Transit traffic from the Chinese Mainland to the US and Canada remained robust. On top of that, we captured a few pockets of demand for flights from the Chinese Mainland to Southeast Asia, in particular to Jakarta and Hanoi. The increase in demand compensated for the loss of traffic from flights that remained suspended last month, notably from the UK, the Philippines and Indonesia. Meanwhile, we resumed passenger services to Auckland, Hanoi, Phnom Penh, Tel Aviv and Wuhan.

Cargo

“Cargo capacity in July increased 12.1% month-on-month, driven by the full resumption of our freighter schedule and a 33% increase in cargo-only passenger flights. All sales regions and route groups recorded healthy tonnage growth proportional to the increase in capacity, ensuring we sustained a high load factor of 81.8% across the month.

“We saw more active movement of vaccines in July and we have now surpassed the milestone of 50 million doses of COVID-19 vaccines carried to locations around the world.

Outlook

“We welcome the Hong Kong SAR Government’s latest simplifications to the entry requirements for passengers into Hong Kong. However, COVID-19 and the associated travel restrictions and quarantine requirements that are in place both in Hong Kong and around the world continue to dampen passenger demand for air travel. Furthermore, our ability to service our passenger and cargo markets remains affected by quarantine and other COVID-19-related requirements impacting our aircrew.

“We hope to be able to operate approximately 30% of our pre-pandemic passenger capacity by the fourth quarter of 2021. However, this is highly dependent upon operational and customer travel restrictions being relaxed. As governments around the world have said, this will only be possible when sufficiently high vaccination rates are achieved.

“We are incredibly grateful to the 88% of our Hong Kong-based employees, including 99% of pilots and 91% of cabin crew, who have already booked or received their vaccinations. Furthermore, all of our aircrew continue to show exemplary professionalism in adhering to stringent anti-pandemic measures while overseas. So far this year, there have been zero positive tests among the more than 75,700 tests that our operating Hong Kong-based aircrew have taken in the days following their arrival in Hong Kong.

“Looking ahead on the passenger front, student traffic to the US and the UK is expected to give us a slight boost to our business in August and September, respectively. Flights on peak dates are already full, and flights on earlier departure dates are also likely to see increased bookings as demand continues to come in. We also marked the inaugural flight of our new Airbus A321neo to Shanghai (Pudong) earlier this month, as we progressively resume more flights to the Chinese Mainland and the region.

“On the cargo side, overall demand is trending upwards despite us entering the traditionally quieter summer months for cargo. As such, there is good momentum building up as we move towards the cargo peak season.



“Nevertheless, we are still facing many challenges to both our passenger and our cargo business as the COVID-19 situation in different parts of the world continues to evolve.”

The full July figures are on the next page.

AIRLINES COMBINED TRAFFIC	JUL 2021	% Change VS JUL 2020	Cumulative JUL 2021	% Change YTD
RPK (000)				
- Chinese Mainland	20,795	217.9%	81,045	-89.4%
- North East Asia	8,874	25.8%	35,101	-98.3%
- South East Asia	19,094	-23.8%	110,980	-95.2%
- South Asia, Middle East & Africa	5,757	-	8,808	-99.4%
- South West Pacific	19,564	-31.0%	87,489	-97.2%
- North America	155,418	20.9%	514,227	-90.5%
- Europe	68,377	44.2%	247,776	-93.5%
RPK Total (000)	297,879	22.6%	1,085,426	-94.3%
Passengers carried	54,092	25.8%	211,236	-95.2%
Cargo and mail revenue tonne km (000)	753,812	17.8%	4,055,049	-15.2%
Cargo and mail carried (000kg)	121,600	19.1%	671,087	-12.7%
Number of flights	1,592	39.7%	7,956	-52.8%

AIRLINES COMBINED CAPACITY	JUL 2021	% Change VS JUL 2020	Cumulative JUL 2021	% Change YTD
ASK (000)				
- Chinese Mainland	71,367	122.2%	322,977	-74.7%
- North East Asia	52,709	60.8%	288,677	-90.4%
- South East Asia	82,772	-21.7%	531,902	-85.9%
- South Asia, Middle East & Africa	27,989	-	48,204	-97.9%
- South West Pacific	281,377	160.6%	1,216,162	-72.9%
- North America	368,390	-34.5%	2,080,586	-74.6%
- Europe	159,077	-18.5%	722,303	-87.4%
ASK Total (000)	1,043,681	0.7%	5,210,811	-81.9%
Passenger load factor	28.5%	5.1pt	20.8%	-44.9pt
Available cargo/mail tonne km (000)	921,492	10.1%	4,979,425	-26.7%
Cargo and mail load factor	81.8%	5.4pt	81.4%	11.1pt
ATK (000)	1,020,894	9.1%	5,475,303	-42.5%

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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:

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