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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 2021 Traffic Figures

The appended press release contains traffic figures for November 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: Guy Bradley, Ma Chongxian, 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, 14 December 2021

14 December 2021

FOR IMMEDIATE RELEASE

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

Cathay Pacific today released its traffic figures for November 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 70,047 passengers last month, an increase of 85.2% compared to November 2020, but a 97.3% decrease compared to the pre-pandemic level in November 2019. The month's revenue passenger kilometres (RPKs) rose 87.1% year-on-year, but were down 96% versus November 2019. Passenger load factor increased by 8.2 percentage points to 26.8%, while capacity, measured in available seat kilometres (ASKs), increased by 29.5%, but remained 88.2% down on November 2019 levels. In the first 11 months of 2021, the number of passengers carried dropped by 86.4% against a 65.1% decrease in capacity and an 82.1% decrease in RPKs, as compared to the same period for 2020.

The airline carried 135,350 tonnes of cargo last month, an increase of 15.8% compared to November 2020, but a 23.9% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) rose 15.5% year-on-year, but were down 14% compared to November 2019. The cargo load factor increased by 4.3 percentage points to 82.6%, while capacity, measured in available cargo tonne kilometres (AFTKs), was up by 9.5% year-on-year, but was down 28.6% versus November 2019. In the first 11 months of 2021, the tonnage decreased by 1.1% against a 12.5% drop in capacity and a 2.3% decrease in RFTKs, as compared to the same period for 2020.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "The operating environment for our travel business continued to be extremely challenging in November. Following the reopening of borders in the US and Australia, we increased our flight frequencies to cater for the rise in demand. We also managed to capture pockets of travel demand within Asia and resumed our Madrid and Milan services. Overall, we operated slightly more passenger flight capacity in November than we did in October. It represented approximately 12% of our pre-pandemic passenger flight capacity compared to November 2019.

"However, the slowdown in traffic, particularly student travel, from both Hong Kong and the Chinese Mainland to the UK had an impact on our overall travel volume. On average, we carried about 5% fewer passengers per day in November than we did in the previous month.

Cargo

“November delivered an exceptionally strong cargo peak period, as expected. Air cargo demand was consistently robust across our markets. In addition to underlying air cargo demand remaining strong, we also carried products that would usually be shipped by sea as retailers looked to replenish low inventories to meet customer demand. Inbound demand to our hub was also healthy as seasonal products, such as Beaujolais wine from France to Japan and cherries from the Southern Hemisphere to Asia, were shipped throughout the month.

“To provide more capacity for our customers, we managed to operate approximately 71% of our pre-pandemic cargo capacity compared to November 2019, which was the highest level since the onset of the pandemic. We operated a record-high 1,035 pairs of cargo-only passenger flights. We re-commenced our seasonal cargo service between Hobart and Hong Kong towards the end of November, providing an opportunity for Tasmanian producers to easily access key Asian markets directly. We also launched our new digital cargo-booking platform, Click & Ship, which is being progressively rolled out across our network. The platform promises booking transparency and speed, enabling customers to view prices and capacity, and book cargo shipments with instant confirmation.

Outlook

“As we approach the end of 2021, we continue to face significant challenges, especially for our travel business. The emergence of the Omicron coronavirus variant has had an impact on sentiment for travel over the holiday season. Furthermore, our ability to operate flights as planned remains affected in light of the latest travel restrictions, including the Hong Kong SAR Government’s tightening of quarantine requirements for many of our major markets and the subsequent operational constraints. As such, we adjusted our flight schedule for December and we aim to operate no more than 12% of our pre-pandemic passenger flight capacity for the rest of the month. We continue to closely monitor developments as we review our passenger flight schedule for January and beyond.

“Looking ahead on the cargo side, the strong peak season is expected to last well into December. We expect to operate our full freighter schedule as planned for the rest of the month. Nevertheless, we continue to face operational challenges and we remain agile in planning our cargo flight schedule.”

The full November figures and glossary are on the following pages.

AIRLINES COMBINED TRAFFIC	NOV 2021	% Change VS NOV 2020	Cumulative NOV 2021	% Change YTD
RPK (000)				
- Chinese Mainland	21,510	108.3%	276,228	-65.5%
- North East Asia	6,455	-32.7%	65,936	-96.8%
- South East Asia	28,231	34.5%	204,974	-91.5%
- South Asia, Middle East & Africa	7,680	-	38,613	-97.3%
- South West Pacific	49,981	143.0%	188,577	-94.1%
- North America	170,127	92.2%	1,734,025	-69.9%
- Europe	109,178	81.7%	1,037,550	-75.2%
RPK Total (000)	393,162	87.1%	3,545,903	-82.1%
Passengers carried	70,047	85.2%	624,840	-86.4%
Cargo revenue tonne km (000)	858,515	15.5%	7,384,909	-2.3%
Cargo carried (000kg)	135,350	15.8%	1,198,662	-1.1%
Number of flights	2,106	42.4%	15,942	-27.9%

AIRLINES COMBINED CAPACITY	NOV 2021	% Change VS NOV 2020	Cumulative NOV 2021	% Change YTD
ASK (000)				
- Chinese Mainland	82,284	68.8%	719,137	-51.0%
- North East Asia	45,596	36.3%	492,656	-84.3%
- South East Asia	98,501	3.2%	939,713	-77.4%
- South Asia, Middle East & Africa	19,942	-	129,525	-94.3%
- South West Pacific	469,934	188.4%	2,740,331	-46.1%
- North America	390,998	-16.8%	4,319,143	-57.9%
- Europe	360,722	11.7%	2,318,262	-66.9%
ASK Total (000)	1,467,977	29.5%	11,658,767	-65.1%
Passenger load factor	26.8%	8.2pt	30.4%	-29.1pt
Available cargo tonne km (000)	1,039,477	9.5%	9,103,174	-12.5%
Cargo load factor	82.6%	4.3pt	81.1%	8.4pt
ATK (000)	1,179,285	11.5%	10,213,580	-24.8%

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 on each sector multiplied by the sector distance.

Available cargo tonne kilometres (“AFTK”)

Cargo capacity measured in tonnes available for the carriage of freight 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 revenue tonne kilometres (“RFTK”)

Amount of cargo, measured in tonnes, carried on each sector multiplied by the sector distance.

Ratio:

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

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