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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)

January 2022 Traffic Figures

The appended press release contains traffic figures for January 2022 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, 17 February 2022

17 February 2022

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR JANUARY 2022

Cathay Pacific today released its traffic figures for January 2022 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 24,699 passengers last month, a decrease of 18.8% compared to January 2021, and a 99.2% decrease compared to the pre-pandemic level in January 2019. The month's revenue passenger kilometres (RPKs) decreased 23.4% year-on-year, and were down 99% versus January 2019. Passenger load factor increased by 27.1 percentage points to 40.3%, while capacity, measured in available seat kilometres (ASKs), decreased by 74.8% year-on-year, and decreased by 97.9% compared with January 2019 levels.

The airline carried 74,242 tonnes of cargo last month, a decrease of 31.8% compared to January 2021, and a 55.5% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) decreased 64.4% year-on-year, and were down 73.6% compared to January 2019. The cargo load factor decreased by 2.8 percentage points to 76.6%, while capacity, measured in available cargo tonne kilometres (AFTKs), was down by 63.1% year-on-year, and was down by 78.8% versus January 2019.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "We've had a very difficult start to 2022 with the accelerated spread of the Omicron variant and the further tightening of travel and operational restrictions, notably stricter quarantine requirements for Hong Kong-based aircrew. As a result, Cathay Pacific's passenger flight capacity in January reduced by about 82% compared with December 2021, to about 2.1% of pre-COVID-19 levels. Meanwhile, passenger numbers dropped to an average of 797 per day. Load factor was about 40%.

"Both inbound and transit traffic were limited by the enhanced restrictions imposed by the Hong Kong SAR Government, while outbound demand also remained weak. Passenger traffic in January was largely generated from ex-Chinese Mainland flights via the Hong Kong hub to long-haul destinations in Australia, the US and the UK. We also saw some pre-Lunar New Year traffic between the Chinese Mainland and Hong Kong.

Cargo

“In light of the additional quarantine measures imposed on Hong Kong-based aircrew, our cargo flight capacity in January reduced by about 69% compared with December 2021, to about 21% of pre-COVID-19 levels. This reduction was felt most acutely on our long-haul frequencies, where in the first week of January we had to cancel all such services for seven days while reviewing our crew rostering arrangements. Since then, we have only been able to mount limited freighter flights to the Americas, while the shipment of goods to Europe, the Middle East and Southwest Pacific is being provided by passenger aircraft carrying only cargo.

“Our regional operations remained intact and, as such, our teams were able to place added focus on opportunities in the Chinese Mainland and the region. This resulted in increased cargo capacity for services to destinations in Northeast Asia and the Indian subcontinent where there was good demand prior to the Lunar New Year holidays.

Outlook

“Looking ahead in February and beyond, we will continue to operate a highly reduced passenger flight schedule until at least the end of March in view of the extension of quarantine measures for Hong Kong-based aircrew, the flight-specific and place-specific suspension mechanism as well as the transit ban by the Hong Kong SAR Government. We will continue to strive to maintain passenger connectivity to key destinations as much as possible, although we are currently not seeing any signs of significant recovery in passenger travel demand. We expect to continue operating about 2% of our pre-COVID-19 passenger flight capacity while current restrictions remain in place.

“Regarding cargo, demand during the first half of February was affected by the reduced production over the Lunar New Year holiday period, though it is expected to progressively improve during the second half of the month. In light of the ongoing strict crew quarantine requirements, we will continue to operate a reduced schedule for our long-haul cargo operations, with services to Europe and the Middle East continuing to be served by passenger aircraft carrying cargo only, while trans-Pacific frequencies will remain similar to January. However, we have managed to restore some freighter frequencies to the Southwest Pacific and we will continue to maximise opportunities provided by our regional markets. Overall, our cargo flight capacity is likely to remain less than one-third of pre-COVID-19 levels in the first quarter.



“We are also continuing to support Hong Kong’s fight against the pandemic with critical supplies of medical products. In addition to COVID-19 vaccines, we have shipped more than five million Rapid Antigen Test (RAT) kits (190 tonnes) from the Chinese Mainland this week, with more to come.”

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

CATHAY PACIFIC TRAFFIC	JAN 2022	% Change VS JAN 2021	Cumulative JAN 2022	% Change YTD
RPK (000)				
- Chinese Mainland	14,029	61.9%	14,029	61.9%
- North East Asia	1,792	-74.4%	1,792	-74.4%
- South East Asia	7,274	-62.1%	7,274	-62.1%
- South Asia, Middle East & Africa	219	-	219	-
- South West Pacific	13,037	-39.5%	13,037	-39.5%
- North America	49,775	-38.5%	49,775	-38.5%
- Europe	30,276	105.6%	30,276	105.6%
RPK Total (000)	116,402	-23.4%	116,402	-23.4%
Passengers carried	24,699	-18.8%	24,699	-18.8%
Cargo revenue tonne km (000)	238,240	-64.4%	238,240	-64.4%
Cargo carried (000kg)	74,242	-31.8%	74,242	-31.8%
Number of flights	1,340	6.6%	1,340	6.6%

CATHAY PACIFIC CAPACITY	JAN 2022	% Change VS JAN 2021	Cumulative JAN 2022	% Change YTD
ASK (000)				
- Chinese Mainland	89,223	90.9%	89,223	90.9%
- North East Asia	8,375	-82.9%	8,375	-82.9%
- South East Asia	23,367	-78.3%	23,367	-78.3%
- South Asia, Middle East & Africa	2,826	-	2,826	-
- South West Pacific	27,169	-91.2%	27,169	-91.2%
- North America	92,889	-80.8%	92,889	-80.8%
- Europe	44,672	-70.0%	44,672	-70.0%
ASK Total (000)	288,521	-74.8%	288,521	-74.8%
Passenger load factor	40.3%	27.1pt	40.3%	27.1pt
Available cargo tonne km (000)	310,964	-63.1%	310,964	-63.1%
Cargo load factor	76.6%	-2.8pt	76.6%	-2.8pt
ATK (000)	338,513	-64.4%	338,513	-64.4%

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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