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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)

April 2022 Traffic Figures

The appended press release contains traffic figures for April 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, 11th May 2022

11 May 2022

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR APRIL 2022

Cathay Pacific today released its traffic figures for April 2022. As the recent adjustments to the Hong Kong Special Administrative Region Government's travel restrictions and quarantine requirements became effective in phases, the airline's April 2022 traffic figures continued to reflect the impact of some of these constraints.

Cathay Pacific carried a total of 40,823 passengers last month, an increase of 82.2% compared to April 2021, but a 98.7% decrease compared to the pre-pandemic level in April 2019. The month's revenue passenger kilometres (RPKs) increased 60.7% year-on-year, but were down 98.5% versus April 2019. Passenger load factor increased by 31.5 percentage points to 55.6%, while capacity, measured in available seat kilometres (ASKs), decreased by 30.2% year-on-year, and decreased by 97.7% compared with April 2019 levels. In the first four months of 2022, the number of passengers carried increased by 37.8% against a 60.1% decrease in capacity and a 15.8% increase in RPKs, as compared to the same period for 2021.

The airline carried 92,361 tonnes of cargo last month, an increase of 26.3% compared to April 2021, but a 43.6% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) decreased 13.2% year-on-year, and were down 62.4% compared to April 2019. The cargo load factor decreased by 2.7 percentage points to 80.2%, while capacity, measured in available cargo tonne kilometres (AFTKs), was down by 10.2% year-on-year, and was down by 70.7% versus April 2019. In the first four months of 2022, the tonnage decreased by 5.4% against a 42% decrease in capacity and a 43.3% decrease in RFTKs, as compared to the same period for 2021.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "April saw some positive developments for our travel business with improved demand across our network. Following the lifting of the ban on inbound flights from nine countries on 1 April in addition to the adjustment of the quarantine period from 14 to seven days for travellers arriving in Hong Kong, we saw increased demand among residents wishing to return home to the city, in particular from the UK. In view of this stronger demand, we increased our passenger flight capacity by about 25% compared with March, although we still only operated about 2% of our pre-pandemic passenger flight capacity last month.

"We launched additional frequencies, providing more and better connections for our transit passengers. In addition to ongoing demand from the Chinese Mainland, transit traffic going to and from other destinations in Asia also picked up. On 29 April, we carried 2,805 passengers in total, which was the highest since 4 August 2021.

Conversely, we further reduced our frequencies into the Chinese Mainland in view of the COVID-19 situation in Shanghai.

Cargo

“Regarding cargo, our flight capacity continued to recover in April as we maximised regional frequencies and resumed freighter services to Frankfurt – the first freighter flights we have operated to Europe since the end of December last year. Nevertheless, our cargo flight capacity remained about 29% of our pre-pandemic capacity.

“Demand was mixed, with cargo exports from Shanghai affected by the city’s lockdown, which has disrupted supply chains in the eastern part of the Chinese Mainland. On the other hand, demand from Hong Kong began to recover as cross-border bottlenecks began to ease, driven primarily by sea feeders that helped offset the impact from cross-border trucking services remaining constrained. Elsewhere in our network, demand remained healthy with machine parts and industrial products from Northeast Asia and the Americas particularly active. Across many of our markets, we saw a strong end of the month coinciding with the pre-holiday rush ahead of Labour Day and Golden Week in Japan.

“April also saw the launch of our new Priority service, which offers cargo customers a suite of different options for time-sensitive shipments across our various cargo solutions, and can be easily accessed through our online booking portal, Click & Ship.

Outlook

“The recent adjustments to the Government’s travel restrictions and quarantine requirements will help facilitate the gradual resumption of travel activities and the strengthening of network connectivity to and from the Hong Kong aviation hub.

“For our travel services, these changes to quarantine and medical surveillance requirements will allow additional flights and destinations to be reactivated. We have been and will continue to actively resume more flights to more destinations in the coming months. Our flight arrangements from early June notably include daily flights to and from London Heathrow (LHR). We will also be resuming or increasing passenger flights for a number of important markets, including the United States, Australia, New Zealand and India.

“Regarding cargo, on top of the additional cargo flight capacity provided by our increased passenger flights, from June we intend to add back long-haul freighter destinations in Europe and the Americas, and resume freighter services for the UAE, Saudi Arabia and Cambodia. Whilst the ongoing anti-pandemic measures in Shanghai and other parts of the Chinese Mainland continue to affect overall market demand, we shall remain agile and flexible in making adjustments to our network to meet demand wherever possible.

“We will continue to look for opportunities to add back capacity, and rebuild our hub and network. Encouragingly, we expect this additional capacity to have a positive impact on Cathay Pacific’s business and we have been evaluating the potential benefit on our operations and cost base. According to our preliminary assessment, we are targeting to reduce operating cash burn to less than HK\$0.5 billion per month for the next few months.”

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

CATHAY PACIFIC TRAFFIC	APR 2022	% Change VS APR 2021	Cumulative APR 2022	% Change YTD
RPK (000)				
- Chinese Mainland	20,278	114.5%	80,653	136.1%
- North East Asia	5,954	80.0%	11,447	-34.1%
- South East Asia	15,263	-9.1%	40,208	-36.6%
- South Asia, Middle East & Africa	-	-	219	-
- South West Pacific	25,688	276.0%	77,284	83.5%
- North America	59,596	64.7%	154,775	-21.7%
- Europe	43,276	30.1%	132,347	78.5%
RPK Total (000)	170,055	60.7%	496,933	15.8%
Passengers carried	40,823	82.2%	127,403	37.8%
Cargo revenue tonne km (000)	341,508	-13.2%	1,180,640	-43.3%
Cargo carried (000kg)	92,361	26.3%	328,894	-5.4%
Number of flights	1,189	41.5%	4,780	19.0%

CATHAY PACIFIC CAPACITY	APR 2022	% Change VS APR 2021	Cumulative APR 2022	% Change YTD
ASK (000)				
- Chinese Mainland	69,242	94.8%	333,289	114.5%
- North East Asia	21,116	-38.0%	53,187	-65.0%
- South East Asia	31,591	-49.0%	97,302	-68.9%
- South Asia, Middle East & Africa	-	-	2,826	-
- South West Pacific	46,062	-28.9%	126,890	-77.9%
- North America	81,197	-55.4%	246,524	-78.0%
- Europe	56,443	-5.2%	186,568	-39.2%
ASK Total (000)	305,651	-30.2%	1,046,586	-60.1%
Passenger load factor	55.6%	31.5pt	47.5%	31.1pt
Available cargo tonne km (000)	425,603	-10.2%	1,477,527	-42.0%
Cargo load factor	80.2%	-2.7pt	79.9%	-1.8pt
ATK (000)	454,895	-11.8%	1,577,632	-43.6%

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.


Operating cash burn / generation

Operating cash burn / generation includes aircraft loan and lease repayments, fuel hedging settlements, but excludes unsecured loan repayment or refinancing, capital expenditure and related new funding and one-off restructuring costs.

Ratio:

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

Media Enquiries

 +852 2747 5393

 press@cathaypacific.com

 www.cathaypacific.com