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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)

May 2022 Traffic Figures

The appended press release contains traffic figures for May 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, Sun Yuquan, Merlin Swire, Samuel Swire, Xiao Feng, Zhang Zhuo Ping;

Independent Non-Executive Directors: Bernard Chan, John Harrison, Christoph Mueller and Andrew Tung.

By Order of the Board

Cathay Pacific Airways Limited

Joanna Lai

Company Secretary

Hong Kong, 14th June 2022

14 June 2022

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR MAY 2022

Cathay Pacific today released its traffic figures for May 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 May 2022 traffic figures started to reflect the positive impact of those changes.

Cathay Pacific carried a total of 57,982 passengers last month, an increase of 141.5% compared to May 2021, but a 98% decrease compared to the pre-pandemic level in May 2019. The month's revenue passenger kilometres (RPKs) increased 164.4% year-on-year, but were down 97.1% versus May 2019. Passenger load factor increased by 33.7 percentage points to 60.5%, while capacity, measured in available seat kilometres (ASKs), increased by 16.8% year-on-year, but decreased by 96% compared with May 2019 levels. In the first five months of 2022, the number of passengers carried increased by 59.1% against a 48.5% decrease in capacity and a 49.3% increase in RPKs, as compared to the same period for 2021.

The airline carried 92,426 tonnes of cargo last month, a similar level as May 2021, but a 45.1% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) decreased 32.5% year-on-year, and were down 59.9% compared to May 2019. The cargo load factor decreased by 5.3 percentage points to 75.7%, while capacity, measured in available cargo tonne kilometres (AFTKs), was down by 27.7% year-on-year, and was down by 66.1% versus May 2019. In the first five months of 2022, the tonnage decreased by 4.3% against a 38.9% decrease in capacity and a 41% decrease in RFTKs, as compared to the same period for 2021.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "The introduction of further adjustments to travel restrictions and quarantine requirements in Hong Kong from 1 May was a welcome development, although our business during the month remained constrained. We increased our passenger flight capacity by 78% compared with April, but we still only operated about 4% of our pre-pandemic levels. Traffic volume in terms of RPK increased 94% month on month, and this was driven primarily by long-haul flights. As a result, overall load factor reached 60.5%.

"The additional passenger flight capacity we mounted in May provided better connectivity for our transit passengers, particularly those travelling from the Chinese Mainland to long-haul destinations such as the US, Europe and Australia. Demand for inbound flights to Hong Kong saw substantial growth, driven by pent-up demand out of North America, the UK and Europe. We also resumed flights to India last month with services to Delhi and Mumbai. On the other hand, we continued to operate limited frequencies into the Chinese Mainland to comply with ongoing capacity restrictions.

Cargo

“Regarding cargo, the situation in Shanghai continued to affect demand, although tonnage gradually picked up as COVID-19 restrictions started to ease towards the end of May. As for Hong Kong, volumes improved as cross-border feeder services between Shenzhen and Hong Kong allowed for a more stable flow of cargo, although it remains below the capacity available prior to the fifth wave of COVID-19 in Hong Kong. Demand from other parts of our network remained relatively strong throughout the month. Overall in May, we operated about 34% of our pre-pandemic cargo flight capacity, while load factor was 75.7%.

“Last month also saw the expansion of our joint business agreement with Lufthansa Cargo to include Swiss WorldCargo. Cathay Pacific Cargo will expand its collaboration on trade lanes between Hong Kong and Europe to provide even greater choice and value for our cargo customers.

“Additionally, our Cargo and Lifestyle businesses have jointly developed a door-to-door solution that enables customers in Hong Kong to enjoy fresh fruit and vegetables sourced from premium producers in Northeast Asia and delivered directly to their homes. This fresh produce is available through the Cathay shop.

Outlook

“The first quarter of 2022 saw a tightening of travel restrictions and quarantine requirements as Hong Kong continued to fight against COVID-19. Such measures have restricted our ability to operate beyond only a fraction of our passenger services and have significantly reduced our cargo capacity. However, with the recent adjustments to travel restrictions and quarantine requirements, we have been able to resume more flight capacity in the second quarter. Given a strong underlying cargo performance coupled with our cost-management measures implemented over the past two years, our consolidated losses in the first half of 2022, while substantial, are expected to be lower than the consolidated losses reported in the first half of 2021.

“Earlier this month, the Hong Kong SAR Government agreed to extend the drawdown period of the HK\$7.8 billion loan facility for 12 months to 8 June 2023. The further extension of the drawdown period is greatly appreciated and will provide us with flexibility to manage our liquidity position.

“Looking ahead to June and beyond, as travel demand continues to improve over the coming months, we will increase passenger flight capacity as much as is practicable under the confines of ongoing restrictions. Cathay Pacific started the year operating flights to 29 destinations and we target to double that by the end of the year. As of June, we are already halfway towards reaching this target with 45 destinations resumed. We will be keeping a close eye on the opening up of travel activities in nearby countries, such as Japan and South Korea, and will look to operate flights to capture potential demand wherever possible. We also expect transit traffic to improve and become more diversified, in particular between the UK, Australia and New Zealand, as well as North America and Southeast Asia.

“On the cargo side, we have been able to progressively add long-haul freighter services on both Transpacific and European routes with a full freighter schedule operating from June onwards. This will be further supplemented by increased passenger flight frequencies and cargo-only passenger services to provide additional lift. With disrupted supply chains in Shanghai and elsewhere in the world, the short-term outlook for our air cargo business remains positive, whilst we currently remain confident for a solid traditional peak season later this year.”

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

CATHAY PACIFIC TRAFFIC	MAY 2022	% Change VS MAY 2021	Cumulative MAY 2022	% Change YTD
RPK (000)				
- Chinese Mainland	23,788	135.3%	104,440	135.9%
- North East Asia	3,764	-1.5%	15,211	-28.2%
- South East Asia	15,680	22.1%	55,888	-26.7%
- South Asia, Middle East & Africa	5,327	844.7%	5,546	883.6%
- South West Pacific	35,753	293.0%	113,037	120.7%
- North America	137,509	182.2%	292,284	18.6%
- Europe	107,771	172.9%	240,119	111.3%
RPK Total (000)	329,592	164.4%	826,525	49.3%
Passengers carried	57,982	141.5%	185,385	59.1%
Cargo revenue tonne km (000)	377,237	-32.5%	1,557,877	-41.0%
Cargo carried (000kg)	92,426	0.0%	421,345	-4.3%
Number of flights	1,192	19.6%	5,972	19.1%

CATHAY PACIFIC CAPACITY	MAY 2022	% Change VS MAY 2021	Cumulative MAY 2022	% Change YTD
ASK (000)				
- Chinese Mainland	71,679	78.0%	404,967	107.0%
- North East Asia	17,312	-52.5%	70,499	-62.6%
- South East Asia	29,863	-48.6%	127,165	-65.8%
- South Asia, Middle East & Africa	17,708	184.7%	20,534	230.1%
- South West Pacific	55,663	-42.7%	182,554	-72.8%
- North America	199,341	43.8%	445,865	-64.6%
- Europe	153,631	71.1%	340,199	-14.3%
ASK Total (000)	545,197	16.8%	1,591,783	-48.5%
Passenger load factor	60.5%	33.7%pt	51.9%	34.0%pt
Available cargo tonne km (000)	498,218	-27.7%	1,975,745	-38.9%
Cargo load factor	75.7%	-5.3%pt	78.9%	-2.7%pt
ATK (000)	550,499	-25.0%	2,128,131	-39.7%

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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