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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)

March 2023 Traffic Figures

The appended press release contains traffic figures for March 2023 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 (Chair), Ronald Lam, Lavinia Lau, Alexander McGowan, Rebecca Sharpe;

Non-Executive Directors: Ma Chongxian (Deputy Chair), Guy Bradley, Gordan McCallum, Sun Yuquan, Merlin 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

國泰航空有限公司

Joanna Lai

Company Secretary

Hong Kong, 20th April 2023

20 April 2023

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR MARCH 2023

Cathay Pacific today released its traffic figures for March 2023, which saw passenger load factor surpass 90% reflecting the ongoing strong demand for travel. The Cathay Pacific Group, comprising passenger airlines Cathay Pacific and HK Express, reached 50% of pre-pandemic passenger flight capacity levels as planned, covering more than 70 destinations as of the end of March.

Cathay Pacific carried a total of 1,322,180 passengers last month, an increase of 4,217% compared with March 2022. The month's revenue passenger kilometres (RPKs) increased 4,828% year-on-year. Passenger load factor increased by 44.8 percentage points to 90.4%, while capacity, measured in available seat kilometres (ASKs), increased by 2,384% year-on-year. In the first three months of 2023, the number of passengers carried increased by 3,907% against a 2,174% increase in capacity and a 4,432% increase in RPKs, as compared with the same period for 2022.

The airline carried 121,776 tonnes of cargo last month, an increase of 25.3% compared with March 2022, when our cargo capacity was significantly reduced due to stricter aircrew quarantine measures. The month's cargo revenue tonne kilometres (RFTKs) increased 102.5% year-on-year. The cargo load factor decreased by 14.6 percentage points to 66.9%, while capacity, measured in available cargo tonne kilometres (AFTKs), increased by 146.7% year-on-year. In the first three months of 2023, the tonnage increased by 35.6% against a 178.4% increase in capacity and a 128.1% increase in RFTKs, as compared with the same period for 2022.

Travel

Chief Customer and Commercial Officer Lavinia Lau said: "The first quarter of 2023 has been one of continued improvement for our travel business as we maintain our focus on reconnecting Hong Kong with the world. Cathay Pacific's passenger numbers continued to increase month on month in March, growing 19% to more than 1.3 million compared with February.

“We resumed services to three more destinations – Shanghai Hongqiao airport, Haikou and Nagoya in March. Hongqiao in particular saw huge demand for both business and leisure travel. Our Japan and South Korea flights benefited from good passenger traffic for the cherry blossom season and demand ahead of the Easter holiday. Demand between Hong Kong and Taiwan was similarly strong, including transit traffic from Taiwan to Europe and Indonesia via the Hong Kong hub.

“We were also delighted to bring back more customer experience highlights, with First class returning on select flights on our Beijing and Los Angeles routes, and our airport lounges in Bangkok, Beijing and Manila also reopening, all of which were very welcomed by our customers who missed those special Cathay touches over the past three years.

Cargo

“For our cargo business, tonnage carried in March saw double-digit growth of 17% over February as volumes recovered after the Lunar New Year holiday, and we operated an enhanced freighter schedule to capture expected demand. E-commerce shipments from Hong Kong and the Chinese Mainland were the key drivers of growth; however, other regions remained relatively flat, reflecting the ongoing weaker demand for global airfreight.

“We continued to enhance our cargo customer proposition in March, with the launch of our Cathay Mail solution. The refreshed suite of digitised tools allows greater transparency for our post office customers, enabling package-level track-and-trace visibility and improved efficiencies in mail capacity planning and administrative handling which their customers expect, especially as they compete in the express e-commerce segment.

Outlook

“Turning to April, we were thrilled to see the Cathay/HSBC Hong Kong Sevens back in full force earlier this month. Cathay has long been a supporter of mega events that help build Hong Kong’s international status. As the first mask-free Sevens after the Hong Kong border reopened, it was great to see visitors from around the world once again coming to Hong Kong to experience this incredible sporting weekend filled with fun and laughter.

“Regarding our travel business, we continued to see strong demand into the Easter holidays, reflecting positive and robust sentiment for travel. On 9 April, we broke the 50,000 mark for the first time since the pandemic, carrying 53,233 passengers on that day. We are actively working to add more flights to our schedule to satisfy customer demand, in particular between Hong Kong and the Chinese Mainland. Between now and the end of October, the number of return flights will be progressively increased to about 160 per week, covering 16 airports in 15 cities. This includes four return flights per day to Beijing, six return flights per day to Shanghai Pudong airport and nine return flights per week to Shanghai Hongqiao airport.

“Meanwhile on the cargo side, in April we expect that the Ching Ming Festival, Easter and Ramadan will dampen market demand. We will adjust our freighter capacity in an agile manner to reflect the demand picture, which remains variable but overall softer than prior periods. We are nevertheless continuing to expand market coverage for our customers, as the cargo belly space and network offered by our widebody passenger fleet continues to grow.

“Earlier this month, Hong Kong International Airport was once again named the busiest cargo airport in the world in 2022. As the city’s home carrier, we worked hard to ensure the movement of important cargo was maintained despite significant challenges and operational constraints last year. We are very proud to have contributed to this achievement and remain committed to rebuilding the Hong Kong international aviation hub to surpass pre-pandemic levels of airfreight tonnage ahead.”

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

CATHAY PACIFIC TRAFFIC	MAR	% Change	Cumulative	%
	2023	VS MAR 2022	MAR 2023	Change YTD
RPK (000)				
- Chinese Mainland	258,917	1,130.4%	596,423	887.9%
- North East Asia	691,911	35,578.5%	1,851,819	33,613.3%
- South East Asia	726,353	7,166.6%	1,938,003	7,669.1%
- South Asia, Middle East & Africa	242,440	-	638,436	290,890.3%
- South West Pacific	645,581	3,635.7%	2,090,688	3,952.0%
- North America	1,454,777	5,871.3%	3,954,358	4,054.7%
- Europe	1,471,931	3,897.1%	3,743,305	4,102.6%
RPK Total (000)	5,491,910	4,827.8%	14,813,032	4,431.7%
Passengers carried	1,322,180	4,216.9%	3,468,800	3,906.5%
Cargo revenue tonne km (000)	729,860	102.5%	1,914,246	128.1%
Cargo carried (000kg)	121,776	25.3%	320,847	35.6%
Number of flights	3,030	140.7%	8,198	128.3%

CATHAY PACIFIC CAPACITY	MAR	% Change	Cumulative	%
	2023	VS MAR 2022	MAR 2023	Change YTD
ASK (000)				
- Chinese Mainland	349,990	300.4%	864,197	227.3%
- North East Asia	800,560	6,432.2%	2,290,319	7,041.4%
- South East Asia	850,704	3,648.6%	2,302,957	3,404.7%
- South Asia, Middle East & Africa	288,081	-	762,236	26,875.2%
- South West Pacific	755,201	2,756.3%	2,479,049	2,967.0%
- North America	1,500,777	3,462.0%	4,156,864	2,414.3%
- Europe	1,528,770	2,752.7%	3,995,575	2,970.6%
ASK Total (000)	6,074,084	2,384.0%	16,851,197	2,174.3%
Passenger load factor	90.4%	44.8%pt	87.9%	43.8%pt
Available cargo tonne km (000)	1,090,725	146.7%	2,928,233	178.4%
Cargo load factor	66.9%	-14.6%pt	65.4%	-14.4%pt
ATK (000)	1,670,195	258.8%	4,536,780	304.1%

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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