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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 2023 Traffic Figures

The appended press release contains traffic figures for May 2023 for Cathay Pacific Airways Limited (“**Cathay Pacific**”, together with its subsidiaries, the “**Cathay Group**” or the “**Group**”). 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, Gordon 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, 23rd June 2023

23 June 2023

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR MAY 2023

Cathay Pacific today released its traffic figures for May 2023, which show the airline continues to make good progress as it rebuilds flight connectivity at the Hong Kong international aviation hub.

Cathay Pacific carried a total of 1,417,906 passengers last month, an increase of 2,345% compared with May 2022. The month's revenue passenger kilometres (RPKs) increased 1,664% year on year. Passenger load factor increased by 24.7 percentage points to 85.1%, while capacity, measured in available seat kilometres (ASKs), increased by 1,152% year on year. In the first five months of 2023, the number of passengers carried increased by 3,281% against a 1,786% increase in capacity and a 3,062% increase in RPKs, as compared with the same period for 2022.

The airline carried 109,834 tonnes of cargo last month, an increase of 18.8% compared with May 2022, when our cargo capacity was significantly reduced due to stricter aircrew quarantine measures. The month's cargo revenue tonne kilometres (RFTKs) increased 73.4% year on year. The cargo load factor decreased by 14.2 percentage points to 61.5%, while capacity, measured in available cargo tonne kilometres (AFTKs), increased by 113.6% year on year. In the first five months of 2023, the tonnage increased by 28.2% against a 154.6% increase in capacity and a 107.2% increase in RFTKs, as compared with the same period for 2022.

Travel

Chief Customer and Commercial Officer Lavinia Lau said: "May was another good month for our travel business. We continued to progressively increase our passenger flight capacity and added more frequencies to popular destinations in the US, South Asia and Japan.

"Although demand reduced temporarily following the Easter holiday peak, it picked up again over the Buddha's Birthday holiday weekend towards the end of May, with travel to Japan and Thailand being particularly popular. Transit traffic via the Hong Kong hub was also encouraging with considerable demand to and from the Chinese Mainland.

Cargo

“Turning to our cargo business, market volume remained largely flat in May. High-tech demand and new consumer product shipments continued to underperform due to elevated inventory levels. However, the e-commerce market remained relatively active and, in the special solution segment, aircraft engine volumes improved as passenger services resumed.

Outlook

“The peak summer season looks promising as we expect to get a boost from students returning to Hong Kong after the school term ends. On rebuilding our network, we will bring back the seasonal Christchurch service from 16 December 2023 through to 29 February 2024 with three return flights per week, following the earlier announcement of service resumption to Johannesburg and Chicago from August and October 2023, respectively.

“On the customer experience side, we were thrilled to receive the award for World’s Best Inflight Entertainment at the 2023 World Airline Awards organised by Skytrax. We place immense importance on providing an excellent inflight entertainment experience for our customers and are honoured to receive their vote of approval. We ranked number eight overall in the World’s Best Airlines category. This is in addition to our Top 10 ranking on AirlineRatings.com. Getting back into the Top 10 in both of these prestigious awards after the pandemic means a lot to us and provides the momentum for our teams to work even harder towards building a premium customer experience.

“In terms of cargo, the summer months are traditionally slower and any significant pick-up in demand is not expected until the end of the third quarter. We also anticipate more intense competition as overall cargo demand lags behind supply. As we rebuild our capacity through the expansion of the widebody passenger network, we will continue to source new demand and optimise our freighter schedules accordingly. Toronto and Miami will receive additional freighter capacity as a result.

“The Cathay Group has seen a strong rebound in the performance of our airlines. Our cash flow has continued to improve; further to being overall operating cash generative in 2022, the Group has been operating cash generative so far in 2023. In addition, as mentioned in our 2022 Annual Report, the Group will recognise a one-off non-cash gain, estimated to be approximately HK\$1.9 billion, in the first half of 2023 as a result of a deemed disposal of our interest in Air China Limited from 18.13% to 16.26%. Taking all of the above into account, together with the offsetting impact of the results from associates, which are reported three months in arrears, we expect that the Group will deliver a consolidated profit for the first half of 2023.”

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

CATHAY PACIFIC TRAFFIC	MAY	% Change	Cumulative	%
	2023	VS MAY 2022	MAY 2023	Change YTD
RPK (000)				
- Chinese Mainland	265,947	1,018.0%	1,130,586	982.5%
- North East Asia	757,504	20,027.0%	3,313,565	21,684.7%
- South East Asia	767,816	4,796.7%	3,482,211	6,130.6%
- South Asia, Middle East & Africa	283,087	5,214.6%	1,174,076	21,069.8%
- South West Pacific	741,213	1,973.1%	3,526,287	3,019.6%
- North America	1,585,741	1,053.2%	6,912,194	2,264.9%
- Europe	1,412,752	1,210.9%	6,596,555	2,647.2%
RPK Total (000)	5,814,059	1,664.0%	26,135,475	3,062.1%
Passengers carried	1,417,906	2,345.4%	6,267,779	3,281.0%
Cargo revenue tonne km (000)	654,025	73.4%	3,228,519	107.2%
Cargo carried (000kg)	109,834	18.8%	540,055	28.2%
Number of flights	3,347	180.9%	14,707	146.3%

CATHAY PACIFIC CAPACITY	MAY	% Change	Cumulative	%
	2023	VS MAY 2022	MAY 2023	Change YTD
ASK (000)				
- Chinese Mainland	367,522	412.7%	1,590,852	292.8%
- North East Asia	980,822	5,565.6%	4,146,414	5,781.6%
- South East Asia	972,942	3,158.0%	4,231,981	3,227.9%
- South Asia, Middle East & Africa	353,213	1,894.6%	1,423,532	6,832.6%
- South West Pacific	906,964	1,529.4%	4,217,848	2,210.5%
- North America	1,686,574	746.1%	7,269,585	1,530.4%
- Europe	1,560,107	915.5%	7,136,057	1,997.6%
ASK Total (000)	6,828,143	1,152.4%	30,016,269	1,785.7%
Passenger load factor	85.1%	24.7%pt	87.1%	35.1%pt
Available cargo tonne km (000)	1,063,947	113.6%	5,029,556	154.6%
Cargo load factor	61.5%	-14.2%pt	64.2%	-14.7%pt
ATK (000)	1,714,853	211.5%	7,893,089	270.9%

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:

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

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