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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)

August 2017 Traffic Figures

The appended press release contains combined traffic figures for August 2017 for Cathay Pacific Airways Limited (“**Cathay Pacific**”) and its wholly owned subsidiary, Hong Kong Dragon Airlines Limited (“**Cathay Dragon**”). 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.

This announcement is issued by Cathay Pacific pursuant to Part XIVA of the Securities and Futures Ordinance.

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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: John Slosar (Chairman), Rupert Hogg, Gregory Hughes, Paul Loo, Martin Murray;

Non-Executive Directors: Cai Jianjiang, Ivan Chu, Martin Cubbon, Song Zhiyong, Merlin Swire, Samuel Swire, Xiao Feng, Zhao Xiaohang;

Independent Non-Executive Directors: John Harrison, Irene Lee, Andrew Tung and Peter Wong.

By Order of the Board

Cathay Pacific Airways Limited

David Fu

Company Secretary

Hong Kong, 18th September 2017

18 September 2017

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR AUGUST 2017**

Cathay Pacific Airways today released combined Cathay Pacific and Cathay Dragon traffic figures for August 2017 that show an increase in both the number of passengers carried and cargo and mail uplifted compared to the same month in 2016.

Cathay Pacific and Cathay Dragon carried a total of 3,079,949 passengers last month – an increase of 3.5% compared to August 2016. The passenger load factor dropped 0.5 percentage points to 86.3%, while capacity, measured in available seat kilometres (ASKs), increased by 4.8%. In the first eight months of 2017, the number of passenger carried increased by 0.3% while capacity rose by 2.0%.

The two airlines carried 172,253 tonnes of cargo and mail last month, an increase of 12.0% compared to the same month last year. The cargo and mail load factor rose by 2.2 percentage points to 65.5%. Capacity, measured in available cargo/mail tonne kilometres, was up by 7.5% while cargo and mail revenue tonne kilometres (RTKs) increased by 11.3%. In the first eight months of 2017, the tonnage rose by 11.9% against a 3.3% increase in capacity and a 9.5% increase in RTKs.

Cathay Pacific Director Commercial and Cargo Ronald Lam said: “We recorded modest revenue growth in August, despite our operations being disrupted by numerous typhoons in the region, including at our home hub in Hong Kong. The additional capacity we deployed on our European routes enabled strong volume growth during the summer peak, while premium class demand across the network in general remained robust. Headwinds in the form of yield decline persisted in several of our key markets, while geopolitical instability in Northeast Asia necessitated careful capacity management on our Korean routes.

“Our cargo business, meanwhile, continued its good momentum. Demand out of our key markets remained strong; tonnage growth was well ahead of capacity growth, with both inbound and outbound sectors sustaining high levels. Overall, our cargo yield sustained an improving trend. Looking ahead, we plan to operate our maximum freighter schedule in order to match the forecast surge in demand from various new product launches.”

The full August figures are on the next page.

| CATHAY PACIFIC / CATHAY DRAGON COMBINED TRAFFIC | AUG | % Change | Cumulative | % Change |
|--|------------|-------------|------------|----------|
| | 2017 | VS AUG 2016 | AUG 2017 | YTD |
| RPK (000) | | | | |
| - Mainland China | 835,235 | 3.9% | 6,129,832 | -0.1% |
| - North East Asia | 1,424,557 | 3.2% | 10,628,188 | 1.6% |
| - South East Asia | 1,508,861 | 0.5% | 11,843,865 | -2.6% |
| - India, Middle East, Pakistan & Sri Lanka | 558,768 | -7.6% | 4,706,860 | -6.0% |
| - South West Pacific & South Africa | 1,393,739 | 3.4% | 11,391,292 | -0.6% |
| - North America | 3,212,839 | 1.1% | 23,452,400 | 0.7% |
| - Europe | 2,330,979 | 16.4% | 16,891,183 | 14.5% |
| RPK Total (000) | 11,264,978 | 4.1% | 85,043,620 | 2.2% |
| Passengers carried | 3,079,949 | 3.5% | 23,360,093 | 0.3% |
| Cargo and mail revenue tonne km (000) | 974,471 | 11.3% | 7,439,954 | 9.5% |
| Cargo and mail carried (000kg) | 172,253 | 12.0% | 1,317,632 | 11.9% |
| Number of flights | 6,830 | 2.2% | 53,305 | 0.9% |

| CATHAY PACIFIC / CATHAY DRAGON COMBINED CAPACITY | AUG | % Change | Cumulative | % Change |
|---|------------|-------------|------------|----------|
| | 2017 | VS AUG 2016 | AUG 2017 | YTD |
| ASK (000) | | | | |
| - Mainland China | 971,504 | -2.1% | 7,821,587 | 1.3% |
| - North East Asia | 1,628,276 | -2.9% | 12,770,492 | -2.2% |
| - South East Asia | 1,750,167 | -0.6% | 14,003,730 | -1.7% |
| - India, Middle East, Pakistan & Sri Lanka | 690,233 | -9.5% | 5,627,179 | -9.2% |
| - South West Pacific & South Africa | 1,659,127 | 5.0% | 13,416,359 | 2.3% |
| - North America | 3,698,323 | 7.4% | 27,256,794 | 2.5% |
| - Europe | 2,658,980 | 18.7% | 18,891,921 | 11.8% |
| ASK Total (000) | 13,056,610 | 4.8% | 99,788,062 | 2.0% |
| Passenger load factor | 86.3% | -0.5pt | 85.2% | 0.1pt |
| Available cargo/mail tonne km (000) | 1,487,172 | 7.5% | 11,193,678 | 3.3% |
| Cargo and mail load factor | 65.5% | 2.2pt | 66.5% | 3.8pt |
| ATK (000) | 2,728,671 | 6.3% | 20,681,834 | 2.7% |

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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 and mail on each sector multiplied by the sector distance.

Available cargo/mail tonne kilometres

Cargo capacity measured in tonnes available for the carriage of cargo and mail 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 and Mail revenue tonne kilometres

Traffic volume, measured in load tonnes from the carriage of cargo and mail on each sector multiplied by the sector distance.

Ratio:

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