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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)

February 2022 Traffic Figures

The appended press release contains traffic figures for February 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, 14 March 2022

14 March 2022

CATHAY PACIFIC RELEASES TRAFFIC FIGURES FOR FEBRUARY 2022

Cathay Pacific today released its traffic figures for February 2022 that continued to reflect the airline's substantial capacity reductions in response to significantly reduced demand as well as travel restrictions and quarantine requirements in place in Hong Kong and other markets amid the ongoing global COVID-19 pandemic.

Cathay Pacific carried a total of 31,253 passengers last month, an increase of 47.9% compared to February 2021, and a 98.9% decrease compared to the pre-pandemic level in February 2019. The month's revenue passenger kilometres (RPKs) increased 5.2% year-on-year, and were down 99% versus February 2019. Passenger load factor increased by 33.8 percentage points to 47.6%, while capacity, measured in available seat kilometres (ASKs), decreased by 69.4% year-on-year, and decreased by 98.4% compared with February 2019 levels. In the first two months of 2022, the number of passengers carried increased by 8.6% against a 72.8% decrease in capacity and a 12.5% decrease in RPKs, as compared to the same period for 2021.

The airline carried 65,126 tonnes of cargo last month, a decrease of 20.9% compared to February 2021, and a 50.4% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) decreased 53.3% year-on-year, and were down 67.9% compared to February 2019. The cargo load factor increased by 0.9 percentage points to 80.5%, while capacity, measured in available cargo tonne kilometres (AFTKs), was down by 53.8% year-on-year, and was down by 75.8% versus February 2019. In the first two months of 2022, the tonnage decreased by 27.1% against a 59.1% drop in capacity and a 59.6% decrease in RFTKs, as compared to the same period for 2021.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "The operating environment for Cathay Pacific remains very challenging. Travel and operational restrictions in place in Hong Kong continued to constrain our ability to operate more passenger flight capacity in February and we operated below 2% of pre-COVID-19 levels, a reduction of about 28% compared with January 2022.

"We have remained as agile as possible, deploying passenger flight capacity to cater to last-minute demand, on top of ongoing traffic from the Chinese Mainland to long-haul destinations as well as post-Chinese New Year traffic from Hong Kong to the Chinese Mainland. We also saw some demand for flights to Australia, notably student traffic from the Chinese Mainland and Hong Kong. As a result, we carried more passengers in February than we did in January. Load factor edged up to reach about 48%.

Cargo

“We continue to operate a reduced long-haul cargo schedule in light of ongoing crew quarantine measures and in February we operated around 25% of our pre-COVID-19 cargo flight capacity. Tightened requirements for cross-border trucking between the Chinese Mainland and Hong Kong, as well as the surge in COVID-19 cases in Hong Kong, reduced demand from our home market. Furthermore, the anticipated market recovery from Asia to long-haul destinations was slower than expected post-Chinese New Year.

“In order to mitigate these headwinds, our teams focused on regional routes and we saw encouraging demand on these services. Of particular note was the demand for Rapid Antigen Test (RAT) shipments, which was strong throughout the month and continues to be so. As of the end of February, we have delivered over 13 million RAT kits to Hong Kong. We will continue to support the Government’s anti-pandemic efforts with the delivery of important medical supplies.

Outlook

“Looking ahead in March, on the travel side we originally expected that the majority of passenger traffic would continue to come from our Chinese Mainland routes. However, stricter capacity restrictions have since been put in place by the Chinese Mainland authorities as part of their pandemic control measures. These, together with the current restrictions in Hong Kong, mean that we do not foresee significant signs of recovery in passenger travel demand in March.

“Regarding cargo, we are re-deploying freighters to North Asia and the Indian sub-continent to maximise opportunities within the region while our ability to operate long-haul services remains constrained. Nevertheless, we are continually looking to increase our long-haul cargo flight capacity where possible, and we have resumed freighter services into Atlanta, Houston and Miami in the US. Our total Hong Kong export volumes will likely remain under pressure throughout the month. Despite this, overall demand from other markets is strengthening and we will look to capture as much of this opportunity as possible.”

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

CATHAY PACIFIC TRAFFIC	FEB 2022	% Change VS FEB 2021	Cumulative FEB 2022	% Change YTD
RPK (000)				
- Chinese Mainland	25,302	295.5%	39,330	161.1%
- North East Asia	1,761	-50.7%	3,554	-66.4%
- South East Asia	7,676	-51.8%	14,949	-57.5%
- South Asia, Middle East & Africa	-	-	219	-
- South West Pacific	21,277	96.8%	34,315	6.0%
- North America	21,041	-54.8%	70,815	-44.4%
- Europe	21,970	101.3%	52,247	103.8%
RPK Total (000)	99,027	5.2%	215,429	-12.5%
Passengers carried	31,253	47.9%	55,952	8.6%
Cargo revenue tonne km (000)	240,478	-53.3%	478,719	-59.6%
Cargo carried (000kg)	65,126	-20.9%	139,367	-27.1%
Number of flights	993	3.6%	2,333	5.3%

CATHAY PACIFIC CAPACITY	FEB 2022	% Change VS FEB 2021	Cumulative FEB 2022	% Change YTD
ASK (000)				
- Chinese Mainland	87,412	140.0%	176,634	112.4%
- North East Asia	11,440	-71.0%	19,815	-77.6%
- South East Asia	19,650	-77.8%	43,017	-78.1%
- South Asia, Middle East & Africa	-	-	2,826	-
- South West Pacific	27,219	-84.9%	54,389	-88.9%
- North America	30,304	-88.8%	123,193	-83.7%
- Europe	31,861	-49.5%	76,533	-63.9%
ASK Total (000)	207,886	-69.4%	496,407	-72.8%
Passenger load factor	47.6%	33.8pt	43.4%	29.9pt
Available cargo tonne km (000)	298,799	-53.8%	609,763	-59.1%
Cargo load factor	80.5%	0.9pt	78.5%	-1.0pt
ATK (000)	318,677	-55.2%	657,190	-60.5%

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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