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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 2021 Traffic Figures

The appended press release contains traffic figures for March 2021 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: Martin Murray, 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
Paul Chow
Company Secretary

Hong Kong, 16th April 2021

16 April 2021

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES COMBINED TRAFFIC FIGURES
FOR MARCH 2021**

Cathay Pacific today released its traffic figures for March 2021 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 18,539 passengers last month, a decrease of 94% compared to March 2020. The month's revenue passenger kilometres (RPKs) fell 95.7% year-on-year. Passenger load factor dropped by 28 percentage points to 21.2%, while capacity, measured in available seat kilometres (ASKs), decreased by 90%. In the first three months of 2021, the number of passengers carried dropped by 98.4% against a 91.7% decrease in capacity and a 98.2% decrease in RPKs, as compared to the same period for 2020.

The airline carried 83,329 tonnes of cargo and mail last month, a decrease of 30.1% compared to March 2020. The month's revenue freight tonne kilometres (RFTKs) fell 32.4% year-on-year. The cargo and mail load factor increased by 8.9 percentage points to 86.4%, while capacity, measured in available freight tonne kilometres (AFTKs), was down by 39.4%. In the first three months of 2021, the tonnage fell by 29.6% against a 39.6% drop in capacity and a 26.5% decrease in RFTKs, as compared to the same period for 2020.

Passenger

Cathay Pacific Group Chief Customer and Commercial Officer Ronald Lam said: "Our passenger business continues to face significant challenges. With the tightened crew quarantine requirements in Hong Kong, we only managed to maintain a skeleton schedule in March, operating passenger services to just 18 destinations. That represented a capacity decline of 47% when compared with February. Average daily passenger numbers decreased even further to just 598, compared to 755 in February.

"We've seen positive demand for student travel to London so far in the first half of April and have been operating more frequent flights to cater to this demand. Meanwhile, we are supporting the operation of two special flights on 21 and 28 April, respectively, to bring Hong Kong residents home from the UK. We also welcome the Hong Kong SAR Government's decision to lift the ban on flights from the UK starting early May and look forward to further relaxations as we move that little bit closer to the return of normal international travel.

"Additionally, the Government's intention to lift the mandatory quarantine period for travellers from the Chinese mainland and reduce it for those arriving from low- and

medium-risk places is a positive step in the right direction. We will remain agile and responsive in capturing any new travel demand available.

Cargo

“Our overall cargo capacity was constrained by the stringent crew quarantine requirements in Hong Kong, resulting in a 39.4% year-on-year reduction in capacity. This was despite our efforts to operate more cargo-only passenger flights as well as chartered freighter flights from our subsidiary, Air Hong Kong.

“Cargo demand was strong in March, particularly from Northeast Asia and the Americas, while demand from Hong Kong and the Chinese mainland also ramped up during the latter half of the month. Load factor improved to an all-time high of 86.4%, whilst the revenue share for our Priority LIFT product continued to increase as customers sought express solutions for their critical shipments.

“Just this week, the Government announced that it would lift the mandatory quarantine requirement for fully vaccinated Hong Kong-based aircrew on freighters and cargo-only passenger flights from today. This will have a positive impact on our cargo business while also progressively reducing our monthly operating cash burn.

“Health and safety remain our top priority; we will remain vigilant and our aircrew will continue to adhere to our stringent risk-mitigation measures. Vaccinated aircrew will add a further layer of protection and risk mitigation against the spread of COVID-19.

“Our tight overseas layover control measures, and our crew’s professionalism in adhering to them, have been very effective in safeguarding the health and wellbeing of our customers, our people and the public. As a result so far this year, there have been zero positive tests among the more than 18,500 tests that our operating Hong Kong-based aircrew have taken in the days following their arrival in Hong Kong.

Outlook

“We welcome and support the government’s plan to use ‘vaccine bubbles’ as the basis for introducing further relaxation measures, including those relating to cross-boundary travel. This provides a framework under which fully vaccinated people could benefit from shorter or no quarantine requirements when travelling, such as via an Air Travel Bubble, which we are eagerly anticipating.

“Community-wide vaccination is pivotal to the global COVID-19 recovery. We have recently launched a campaign to encourage all of our employees, including aircrew, to get vaccinated as soon as possible, and we are very pleased to see that this has already received a positive response. We are grateful to all of our people who have already received or booked their vaccination, and we will continue with our efforts. This will not only help facilitate the return of regular international air travel and preserve vital connections between Hong Kong and the rest of the world, but most importantly it will also safeguard the health and wellbeing of them and their families.



“We’ve also continued to build on the momentum in moving vaccines both to Hong Kong and across our network, and earlier this week we passed the significant milestone of having so far shipped 15 million doses of COVID-19 vaccines.”

The full March figures are on the next page.

AIRLINES COMBINED TRAFFIC	MAR 2021	% Change VS MAR 2020	Cumulative MAR 2021	% Change YTD
RPK (000)				
- Chinese mainland	9,649	-69.5%	24,710	-96.7%
- North East Asia	3,466	-93.0%	14,051	-99.3%
- South East Asia	11,501	-94.8%	46,643	-97.9%
- South Asia, Middle East & Africa	-	-100.0%	-	-100.0%
- South West Pacific	2,914	-99.1%	35,277	-98.8%
- North America	34,146	-94.2%	161,569	-96.8%
- Europe	15,245	-96.6%	40,882	-98.9%
RPK Total (000)	76,921	-95.7%	323,132	-98.2%
Passengers carried	18,539	-94.0%	70,083	-98.4%
Cargo and mail revenue tonne km (000)	503,057	-32.4%	1,687,540	-26.5%
Cargo and mail carried (000kg)	83,329	-30.1%	274,556	-29.6%
Number of flights	961	-48.3%	3,176	-73.6%

AIRLINES COMBINED CAPACITY	MAR 2021	% Change VS MAR 2020	Cumulative MAR 2021	% Change YTD
ASK (000)				
- Chinese mainland	36,680	-39.9%	119,834	-89.8%
- North East Asia	29,681	-77.9%	118,040	-95.9%
- South East Asia	55,187	-89.5%	251,296	-92.7%
- South Asia, Middle East & Africa	-	-100.0%	-	-100.0%
- South West Pacific	19,759	-96.9%	508,493	-88.0%
- North America	185,288	-83.9%	940,682	-86.9%
- Europe	35,480	-95.8%	247,530	-95.3%
ASK Total (000)	362,075	-90.0%	2,185,875	-91.7%
Passenger load factor	21.2%	-28.0pt	14.8%	-54.5pt
Available cargo/mail tonne km (000)	582,431	-39.4%	2,072,724	-39.6%
Cargo and mail load factor	86.4%	8.9pt	81.4%	14.5pt
ATK (000)	616,888	-52.7%	2,280,650	-61.7%

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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:

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