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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)

June 2021 Traffic Figures

The appended press release contains traffic figures for June 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: Ma Chongxian, 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

Joanna Lai

Company Secretary

Hong Kong, 15 July 2021

15 July 2021

FOR IMMEDIATE RELEASE

**CATHAY PACIFIC RELEASES TRAFFIC FIGURES
FOR JUNE 2021**

Cathay Pacific today released its traffic figures for June 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 40,651 passengers last month, an increase of 50% compared to June 2020, but a 98.7% decrease compared to the pre-pandemic level in June 2019. The month's revenue passenger kilometres (RPKs) rose 60.5% year-on-year, but were down 98% versus June 2019. Passenger load factor decreased by 5.6 percentage points to 21.7%, while capacity, measured in available seat kilometres (ASKs), increased by 102%, but remained 92.2% down on June 2019 levels. In the first six months of 2021, the number of passengers carried dropped by 96.4% against an 85% decrease in capacity and a 95.8% decrease in RPKs, as compared to the same period for 2020.

The airline carried 109,423 tonnes of cargo and mail last month, an increase of 17.4% compared to June 2020, but a 33.3% decrease compared with the same period in 2019. The month's revenue freight tonne kilometres (RFTKs) rose 10.3% year-on-year, but were down 28.7% compared to June 2019. The cargo and mail load factor increased by 5.6 percentage points to 80.6%, while capacity, measured in available freight tonne kilometres (AFTKs), was up by 2.7% year-on-year, but was down 44.4% versus June 2019. In the first six months of 2021, the tonnage dropped by 17.6% against a 31.9% drop in capacity and a 20.3% decrease in RFTKs, as compared to the same period for 2020.

Passenger

Chief Customer and Commercial Officer Ronald Lam said: "While passenger demand continues to be far below pre-COVID-19 levels, June did show some small signs of improvement. We carried an average of 1,355 passengers per day last month and on 25 June we carried 2,011 passengers – the most of any day so far in 2021. We continued to progressively add more passenger services, resuming flights to Guangzhou, Seoul, Brisbane, Frankfurt, Amsterdam, Vancouver and San Francisco. Capacity significantly increased by about 131% compared to May 2021; however, we still operated only about 8% of our June 2019 pre-pandemic capacity.

"Our recently resumed flights serving the Chinese mainland experienced particularly noteworthy demand, especially transit traffic to various long-haul destinations. We also saw increased demand from Taiwan and some Southeast Asian destinations. However, overall recovery continues to be affected by travel restrictions. The Hong Kong SAR Government's ban on flights to Hong Kong from the Philippines continued

into June, while bans on flights from Indonesia and the UK came into effect on 25 June and 1 July, respectively.

Cargo

“With quarantine restrictions easing following the high uptake of vaccinations among our aircrew, we were able to further reinstate our freighter capacity, especially on our long-haul routes. We were also able to mount considerably more cargo-only passenger flights compared to the previous month, especially on short-haul routes to meet the reasonably strong regional demand. Overall, month-on-month tonnage growth matched our capacity growth, ensuring our net cargo load factor continued to average over 80%.

Outlook

“Looking ahead on the passenger side, we will continue to progressively and cautiously add more services to our schedule. The suspension of flights from the Philippines, Indonesia and the UK has had an impact on overall demand; however, we are seeing improvements in other major markets. Student traffic demand to the US in particular is looking strong in the second half of August, and we are operating more frequencies on these routes to cater for it. Subject to travel restrictions being progressively lifted in Hong Kong and globally, we expect to operate approximately 30% of our pre-pandemic passenger capacity by the fourth quarter of 2021.

“Vaccination is key to the easing of travel restrictions and quarantine requirements. We are very grateful to the 94% of our pilots and 76% of our cabin crew in Hong Kong who have already booked or received their vaccinations. So far this year, there have been zero positive tests among the more than 58,000 tests that our operating Hong Kong-based aircrew have taken in the days following their arrival in Hong Kong.

“We are very excited that our Airbus A321neo aircraft will take off on its inaugural flight on 4 August from Hong Kong to Shanghai (Pudong), offering our customers the most enjoyable short-haul experience in the world. They will be able to enjoy the array of exciting new features – brand new seats, 4K entertainment, Bluetooth audio streaming, additional storage space, and more – that our new aircraft has to offer on our planned flights to Guangzhou, Hangzhou, Nanjing, Qingdao, Kaohsiung and Taipei during August, and many more in the months to come.

“This follows the launch of ‘Cathay’, our new premium travel lifestyle brand that brings together all we love about travel with our everyday lifestyle. The range of products and services includes our recently launched Standard Chartered Cathay Mastercard Credit Cards, in addition to flights, hotels, shopping, dining and wellness.

“Meanwhile regarding cargo, we are cautiously optimistic that overall demand will be strong for the remainder of the year. The gradual resumption of more passenger services will provide us with greater belly capacity, and should coincide with the usual cargo peak season. To provide additional lift we are also in the process of converting two more of our Boeing 777 passenger aircraft into cargo-only ‘freighters’ by removing seats from the Economy Class cabin, bringing our total to six

'freighters'. These aircraft will provide support to our general cargo and post shipments around Asia.

The full June figures are on the next page.

AIRLINES COMBINED TRAFFIC	JUN 2021	% Change VS JUN 2020	Cumulative JUN 2021	% Change YTD
RPK (000)				
- Chinese mainland	15,974	376.8%	60,250	-92.0%
- North East Asia	5,048	-12.8%	26,227	-98.7%
- South East Asia	15,606	-12.3%	91,886	-96.0%
- South Asia, Middle East & Africa	2,487	-	3,051	-99.8%
- South West Pacific	16,718	-23.0%	67,925	-97.8%
- North America	112,329	58.2%	358,809	-93.2%
- Europe	65,778	152.5%	179,399	-95.2%
RPK Total (000)	233,940	60.5%	787,547	-95.8%
Passengers carried	40,651	50.0%	157,144	-96.4%
Cargo and mail revenue tonne km (000)	661,906	10.3%	3,301,237	-20.3%
Cargo and mail carried (000kg)	109,423	17.4%	549,487	-17.6%
Number of flights	1,352	21.8%	6,365	-59.5%

AIRLINES COMBINED CAPACITY	JUN 2021	% Change VS JUN 2020	Cumulative JUN 2021	% Change YTD
ASK (000)				
- Chinese mainland	55,956	145.3%	251,610	-79.8%
- North East Asia	47,453	81.8%	235,968	-92.1%
- South East Asia	77,790	4.2%	449,130	-87.8%
- South Asia, Middle East & Africa	13,995	-	20,215	-99.1%
- South West Pacific	264,309	291.6%	934,785	-78.7%
- North America	450,977	91.9%	1,712,195	-77.6%
- Europe	166,396	55.3%	563,227	-89.8%
ASK Total (000)	1,076,876	102.0%	4,167,130	-85.0%
Passenger load factor	21.7%	-5.6pt	18.9%	-48.4pt
Available cargo/mail tonne km (000)	821,730	2.7%	4,057,933	-31.9%
Cargo and mail load factor	80.6%	5.6pt	81.4%	11.8pt
ATK (000)	924,215	8.6%	4,454,409	-48.2%

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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:

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