

# Cathay Pacific



China National Aviation Corporation Group, CITIC Pacific, Swire Pacific and Cathay Pacific Airways(CPA) are pleased to announce that as a result of (1) shareholders of CPA approving. by ordinary resolution at an extraordinary general meeting of CPA held on 10th June 1996, the placement and authorising the allotment and issue of the New CPA shares: and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited agreeing to grant listing of and permission to deal in the New CPA shares, which agreements became unconditional, was completed on 10th June 96. CITIC Pacific's shareholding in Cathay Pacific has now increased from 10% to 25% while Swire Pacific remains the core shareholder of the airline moving from 52.6% to 43.9%.

Cathay issued 572,902,308 new ordinary shares of HK\$0.20 each to CITIC Pacific at a price of HK\$11 per share raising approximately HK\$6,300 million before expenses. These new shares represent approximately 20% of Cathay's existing share capital. The management arrangements under the existing Services Agreement with John Swire & Sons will remain unchanged.

Mr Peter Sutch, Cathay Pacific's Chairman commented that the share placement and the Dragonair transaction are in the best interest of the share holders as well as the employees of Swire and Cathay Pacific.

"CITIC and Swire are long term investment partners and CITIC shares CPA's long term commitment to the aviation industry in Hong Kong" said Mr Sutch. The local

aviation industry will be strengthened by the involvement of CNAC as a full partner in Dragonair. And CNAC and Cathay Pacific will co-operate closely to develop aviation in Hong Kong.

The agreement will allow both Cathay and Dragonair to take full advantage of the growth opportunities afforded by the new airport at Chek Lap Kok within a stable and positive environment.

James Finlay & Co (Colombo) Limited is the General Sales agent for Cathay Pacific Airways and also the Passenger Sales Agent for Hong Kongs Dragonair, in Sri Lanka.