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建滔化工集團有限公司

(Incorporated in the Cayman Islands with limited liability)

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The Board announces that, the Company, through its subsidiary, acquired on the market an aggregate of 799,000 Cathay Pacific Shares on 12 December 2016. Taking into account such shares acquired on 12 December 2016 and the Cathay Pacific Shares acquired under the Previous Purchase, the Company holds a total of 197,026,000 Cathay Pacific Shares, representing approximately 5.01% of the total issued share capital of Cathay Pacific as at the date of this announcement. The aggregate consideration for the Purchase and the Previous Purchase is approximately HK$2,261,008,989.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Purchase and the Previous Purchase, on an aggregated basis, is more than 5% but less than 25%, such purchases constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The Board announces that, the Company, through its subsidiary, acquired on the market an aggregate of 799,000 Cathay Pacific Shares on 12 December 2016 at an aggregate consideration of HK$8,170,882.

Taking into account such shares acquired on 12 December 2016 and the Cathay Pacific Shares acquired under the Previous Purchase, the Company holds a total of 197,026,000 Cathay Pacific Shares, representing approximately 5.01% of the total issued share capital of Cathay Pacific as at the date of this announcement. The aggregate consideration for the Purchase and the Previous Purchase is HK$2,261,008,989.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the vendors of the Cathay Pacific Shares under the Purchase and the Previous Purchase and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

The consideration under the Purchase and the Previous Purchase was determined based on the market price of the Cathay Pacific Shares at the time of purchase. The consideration was settled through the internal resources of the Group.

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Cathay Pacific is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange.

Cathay Pacific is an international airline registered and based in Hong Kong, offering scheduled passenger and cargo services to a variety of destinations in different countries and territories. Cathay Dragon is a regional airline registered and based in Hong Kong which is wholly-owned by Cathay Pacific. Cathay Pacific also owns a certain stake in Air China, the national flag carrier and a leading provider of passenger, cargo and other airline-related services in mainland China.

According to the published financial statements of Cathay Pacific, the financial results of Cathay Pacific for the two years ended 31 December 2014 and 2015 are as follows:

	31 2014	**31 2015**
	HK$'000,000	*HK$'000,000*
	(audited)	(audited)
Profit before taxation	HK$4,049	HK$7,465
Profit attributable to the shareholders of Cathay Pacific	HK$3,150	HK$6,000

The net asset of Cathay Pacific as at 31 December 2015 was HK$48,067,000,000.

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The Company is an investment holding company. The Group is principally engaged in the manufacture and sale of, among other things, PCBs, chemicals and magnetic products, and property development and investment. Each of the Previous Purchase and the Purchase is an investment of the Group.

The Directors (including the independent non-executive Directors) consider that Previous Purchase and the Purchase represent good investment opportunity of the Group to invest in a reputable airline company in the world. Taking into account that the Previous Purchase and the Purchase were made on prevailing market prices, the Directors (including the independent non-executive Directors) consider that they were made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Purchase and the Previous Purchase, on an aggregated basis, is more than 5% but less than 25%, such purchases constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In this announcement, unless otherwise indicated or the context otherwise requires, the following expressions shall have the following meanings:

B	The board of directors of the Company
	Cathay Pacific Airways Limited, (stock code: 293), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the mainboard of the Stock Exchange
	the ordinary shares of Cathay Pacific
	Kingboard Chemical Holdings Limited (stock code: 148), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
	has the meaning ascribed to it under the Listing Rules
	the Company and its subsidiaries
	the Hong Kong Special Administrative Region of the People's Republic of China
	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

the purchase of an aggregate of 196,227,000 Cathay Pacific Shares by the Company (by itself or through its subsidiaries) prior to 12 December 2016 at an aggregate consideration of HK$2,252,838,107

the purchase of an aggregate of 799,000 Cathay Pacific Shares by the Company (through its subsidiary) on 12 December 2016 at an aggregate consideration of HK$8,170,882

The Stock Exchange of Hong Kong Limited

By Order of the Board

Company Secretary

Hong Kong, 12 December 2016

As at the date of this announcement, the Board consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Cheung Ka Shing and Chen Maosheng, being the executive directors and Messrs. Cheng Wai Chee, Christopher, Cheung Ming Man, Chong Kin Ki and Leung Tai Chiu, being the independent non-executive directors.