

DATED 27 November 2009

SWIRE PACIFIC LIMITED

and

CITIC PACIFIC LIMITED

and

AIR CHINA LIMITED

and

CHINA NATIONAL AVIATION COMPANY LIMITED

and

OTHERS

**RELEASE OF CITIC PACIFIC LIMITED FROM
THE SHAREHOLDERS' AGREEMENT
IN RELATION TO
CATHAY PACIFIC AIRWAYS LIMITED
AND CONTINUATION
OF
THE SHAREHOLDERS' AGREEMENT**

THIS DEED is made on 27 November 2009

BETWEEN

1. **SWIRE PACIFIC LIMITED**, a company incorporated in Hong Kong whose registered office is at 35th Floor, Two Pacific Place, 88 Queensway, Hong Kong ("**SPAC**");
2. **CITIC PACIFIC LIMITED**, a company incorporated in Hong Kong whose registered office is at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong ("**CITIC Pacific**");
3. **AIR CHINA LIMITED**, a company incorporated in the People's Republic of China whose registered office is at 9th Floor, Blue Sky Mansion, 28 Tianzhu Road, Zone A, Tianzhu Airport Industrial Zone, Shunyi District, Beijing, China ("**Air China**");
4. **CHINA NATIONAL AVIATION COMPANY LIMITED**, a company incorporated in Hong Kong whose registered office is at 5th Floor, CNAC House, 12 Tung Fai Road, Hong Kong International Airport, Lantau, Hong Kong ("**CNAC Limited**");
5. **CUSTAIN LIMITED**, a company incorporated in Hong Kong whose registered office is at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong ("**Custain**");
6. **GRAND LINK INVESTMENTS HOLDINGS LTD.**, a company incorporated in the British Virgin Islands whose registered office is at Arias, Fabrega & Fabrega Trust Co. BVI Limited, 325 Waterfront Drive, Road Town, Tortola, British Virgin Islands ("**Grand Link Investments**");
7. **PERFECT MATCH ASSETS HOLDINGS LTD.**, a company incorporated in the British Virgin Islands whose registered office is at Arias, Fabrega & Fabrega Trust Co. BVI Limited, 325 Waterfront Drive, Road Town, Tortola, British Virgin Islands ("**Perfect Match Assets**");
8. **SMOOTH TONE INVESTMENTS LTD.**, a company incorporated in the British Virgin Islands whose registered office is at Arias, Fabrega & Fabrega Trust Co. BVI Limited, Wickhams Cay, Road Town, Tortola, British Virgin Islands ("**Smooth Tone**");
9. **EASERICH INVESTMENTS INC.**, a company incorporated in the British Virgin Islands whose registered office is at Arias Fabrega & Fabrega Trust Co. BVI Limited, Wickhams Cay, Road Town, Tortola, British Virgin Islands ("**Easerich**");
10. **MOTIVE LINK HOLDINGS INC.**, a company incorporated in the British Virgin Islands whose registered office is at Arias Fabrega & Fabrega Trust Co. BVI Limited, Wickhams Cay, Road Town, Tortola, British Virgin Islands ("**Motive Link**"); and
11. **ANGEL PARADISE LTD.**, a company incorporated in British Virgin Islands whose registered office is at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands ("**Angel Paradise**").

WHEREAS:-

- (A) On 8 June 2006, SPAC, CITIC Pacific, Air China and CNAC Limited entered into a Shareholders Agreement in relation to Cathay Pacific Airways Limited ("**Cathay Pacific**") (the "**Shareholders Agreement**").

- (B) On 28 September 2006, Custain, Grand Link Investments, Perfect Match Assets and Smooth Tone (as subsidiaries of CITIC Pacific) became parties to the Shareholders Agreement by entering into a deed of adherence.
- (C) On 28 September 2006, each of Easerich and Motive Link (each as a subsidiary of Air China) became a party to the Shareholders Agreement by entering into a deed of adherence.
- (D) On 28 September 2006, Angel Paradise (as a subsidiary of CNAC Limited) became a party to the Shareholders Agreement by entering into a deed of adherence.
- (E) On or before the date of this Deed, CITIC Pacific and its subsidiaries (directly or indirectly) sold shares in Cathay Pacific to SPAC and Air China. The parties to the Shareholders Agreement accordingly wish to release CITIC Pacific and Smooth Tone from the Shareholders Agreement on the terms of this Deed.

THIS DEED WITNESSES as follows:

1. RELEASE OF CITIC PACIFIC

The parties agree that, notwithstanding the provisions of clause 14 of the Shareholders Agreement, the Shareholders Agreement shall terminate in respect of the rights and obligations of CITIC Pacific and Smooth Tone (together, the “**Departing Parties**”) under the Shareholders Agreement and each of CITIC Pacific and Smooth Tone shall cease to be a party to the Shareholders Agreement with effect from execution of this Deed by all parties to this Deed.

2. CONTINUATION OF SHAREHOLDERS AGREEMENT AND THE NEW AIR CHINA SPVS

Each party other than the Departing Parties confirms and agrees that:

- (A) it will continue to be bound by the Shareholders Agreement vis a vis each other notwithstanding the release of the Departing Parties;
- (B) each of Custain, Grand Link Investments and Perfect Match Assets (each, a “**New Air China SPV**”) will, from the execution of this Deed by all parties to this Deed, comply with the obligations imposed by the Shareholders Agreement which are to be complied with by Air China in all respects as if those obligations applied to that New Air China SPV;
- (C) Air China will be entitled, to the exclusion of CITIC Pacific, to nominate one director nominated by it pursuant to clause 3.1 of the Shareholders Agreement (Nomination of Directors) to be a member of the audit committee of the board of directors of Cathay Pacific and one director so nominated by it to be an observer to the audit committee of such board; and
- (D) the rights of CITIC Pacific under Clause 3.6 of the Shareholders Agreement to nominate members of the executive committee and the finance committee of the board of directors of Cathay Pacific shall pass to Air China.


3. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all counterparts shall together constitute one and the same instrument.

4. GOVERNING LAW

This Deed is governed by and shall be construed in accordance with the laws of Hong Kong.

IN WITNESS whereof this Deed was executed as a Deed the day and year first above written.

Sealed with the common seal of)
SWIRE PACIFIC LIMITED and signed by)
in the presence of)



Director

David Fū
Company Secretary



Sealed with the common seal of)
CITIC PACIFIC LIMITED and signed by)
in the presence of)

Signed sealed and delivered by)
the duly authorized)
attorney of **AIR CHINA LIMITED**)

Sealed with the common seal of)
CHINA NATIONAL AVIATION)
COMPANY LIMITED and signed by)
in the presence of)

3. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all counterparts shall together constitute one and the same instrument.

4. GOVERNING LAW

This Deed is governed by and shall be construed in accordance with the laws of Hong Kong.

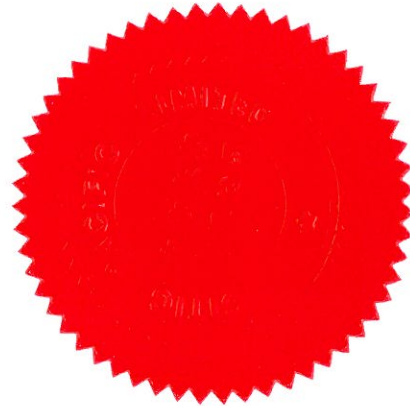
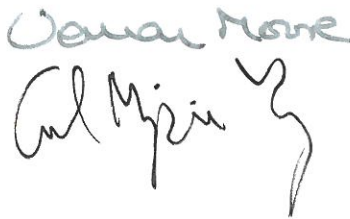
IN WITNESS whereof this Deed was executed as a Deed the day and year first above written.

Sealed with the common seal of)
SWIRE PACIFIC LIMITED and signed by)
in the presence of)

Sealed with the common seal of)
CITIC PACIFIC LIMITED and signed by)
Mr. Vernon Francis Moore and)
Mr. Carl Yung Ming Jie)
in the presence of)



Alice Tso



Signed sealed and delivered by)
the duly authorized)
attorney of **AIR CHINA LIMITED**)

Sealed with the common seal of)
CHINA NATIONAL AVIATION)
COMPANY LIMITED and signed by)
in the presence of)

Sealed with the common seal of)
CUSTAIN LIMITED and signed by)
in the presence of)

Sealed with the common seal of)
GRAND LINK INVESTMENTS)
HOLDINGS LTD. and signed by)
in the presence of)

Sealed with the common seal of)
PERFECT MATCH ASSETS)
HOLDINGS LTD. and signed by)
in the presence of)

Sealed with the common seal of)
SMOOTH TONE INVESTMENTS LTD.)
and signed by Mr. Vernon Francis Moore)
in the presence of)

[Handwritten signature]

Vernon Francis Moore



Alice Tso

Sealed with the common seal of)
EASERICH INVESTMENTS INC.)
and signed by)
in the presence of)

(Signature page for the Release of CITIC Pacific Limited from the Shareholders' Agreement in relation to Cathay Pacific Airways Limited and Continuation of the Shareholders' Agreement)

Signed sealed and delivered by
the duly authorized
attorney of **AIR CHINA LIMITED**



Sealed with the common seal of
**CHINA NATIONAL AVIATION
COMPANY LIMITED** and signed by

)
)
)
)
)

A blue signature written over a series of closing parentheses. To the right of the signature, the date '10.15' is handwritten.

in the presence of

A blue signature written over a series of closing parentheses.



Sealed with the common seal of
CUSTAIN LIMITED and signed by

)
)
)
)
)

A blue signature written over a series of closing parentheses. To the right of the signature, the name '刘钢' (Liu Gang) is handwritten.

in the presence of

A blue signature written over a series of closing parentheses.



Sealed with the common seal of
**GRAND LINK INVESTMENTS
HOLDINGS LTD.** and signed by

)
)
)
)
)

A blue signature written over a series of closing parentheses.

in the presence of

A blue signature written over a series of closing parentheses.



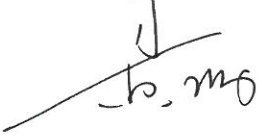
(Signature page for the Release of CITIC Pacific Limited from the Shareholders' Agreement in relation to Cathay Pacific Airways Limited and Continuation of the Shareholders' Agreement)

Sealed with the common seal of
**PERFECT MATCH ASSETS
HOLDINGS LTD.** and signed by

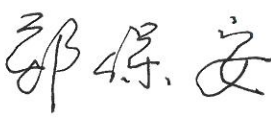
)
)
) 
)
)



in the presence of

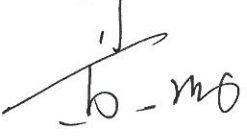


Sealed with the common seal of
EASERICH INVESTMENTS INC.
and signed by

)
)
) 
)
)

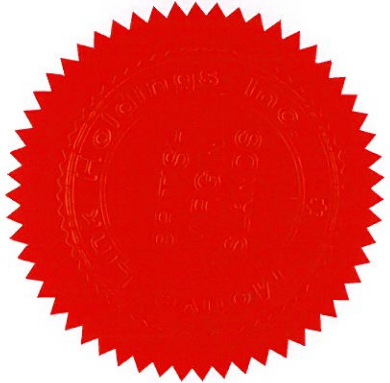


in the presence of

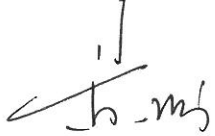


Sealed with the common seal of
MOTIVE LINK HOLDINGS INC.
and signed by

)
)
) 
)
)



in the presence of



Sealed with the common seal of
ANGEL PARADISE LTD.
and signed by

)
)
)
)
)

in the presence of

(Signature page for the Release of CITIC Pacific Limited from the Shareholders' Agreement in relation to Cathay Pacific Airways Limited and Continuation of the Shareholders' Agreement)

Sealed with the common seal of)
PERFECT MATCH ASSETS)
HOLDINGS LTD. and signed by)
)
in the presence of)

Sealed with the common seal of)
EASERICH INVESTMENTS INC.)
and signed by)
)
in the presence of)

Sealed with the common seal of)
MOTIVE LINK HOLDINGS INC.)
and signed by)
)
in the presence of)

Sealed with the common seal of)
ANGEL PARADISE LTD.)
and signed by)
Zhang Xueren, Director)
in the presence of)
Tam Shuit Mui, Secretary)

Am

Handwritten signature

