

Government designates observers to Board of Cathay Pacific Airways Limited

The Government announced today (July 14) that, in accordance with the relevant agreement on the Government's investment in Cathay Pacific Airways Limited (Cathay Group), Mr Carlson Tong and Mr Rimsky Yuen, SC, have been designated as the observers of the Board of the Cathay Group with immediate effect.

"Mr Tong has been active in public and community services and possesses extensive knowledge and significant experience in the financial services sector. He was a Board Member of the Airport Authority Hong Kong and is familiar with the operation of the Hong Kong aviation industry. Mr Yuen is a seasoned legal expert in commercial and civil matters with vast experience in public services and administration. They are suitable candidates to serve as observers to the Cathay Group's Board. I am confident that they will help safeguard the Government's investment interest in the Cathay Group," the Financial Secretary, Mr Paul Chan, said.

The observers designated by the Government have no voting rights at Board meetings. They shall have the right to receive notice of Board meetings, attend and speak at all meetings of the Board, receive all information and papers distributed to the Board, and have access to management and to all information about the Company.

In June 2020, the Government decided to invest \$27.3 billion in the Cathay Group through the Land Fund, comprising preference shares with detachable warrants of \$19.5 billion and a bridge loan of \$7.8 billion, with a view to upholding Hong Kong's status as an international aviation hub amidst the threat arising from COVID-19. As part of the investment agreement between the Government and the Cathay Group, the Government may designate two observers to the Cathay Group's Board of Directors, until the Cathay Group repays the Government in full the drawn bridge loan and interest and redeems all preference shares from the Government.

Mr Tong is a chartered accountant. He served as the Chairman of the Securities and Futures Commission from 2012 to 2018 and was a member of the Exchange Fund Advisory Committee from 2010 to 2020. He had been a Board Member of the Airport Authority Hong Kong since 2017 until he left the post in July 2020. He is currently the Chairman of the University Grants Committee and an Independent Non-Executive Director of Standard Chartered PLC.

Mr Yuen is a Senior Counsel with key areas of practice including commercial disputes and related matters. He was the Secretary for Justice of the Hong Kong Special Administrative Region Government from 2012 to 2018. Mr Yuen is currently a member of the Exchange Fund Advisory Committee.