

For immediate release

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### **TAECO to take part in Boeing Freighter Conversion Programme**

Hong Kong Aircraft Engineering Co. Ltd. (HAECO) confirmed today (8th January, 2004) that its Mainland China associate, Taikoo (Xiamen) Aircraft Engineering Co. Ltd. (TAECO), is working with The Boeing Company on the newly-announced B747-400 Special Freighter Conversion programme.

Mr. P.K. Chan, Deputy Chairman and CEO of HAECO and Chairman of TAECO, said, "We are pleased that TAECO will be a partner with Boeing in this new programme to convert B747-400 passenger to freighter aircraft. This builds on our previous track record in successfully carrying out similar freighter conversions of earlier generation B747-200 and -300 aircraft."

"Given the continuing growth in international air cargo traffic, we believe there will be a sizeable market demand for such conversions in future. The B747-400SF freighter will set new standards in terms of payload and range capabilities," he added.

TAECO, formed in 1993, is a joint venture between HAECO (49.55%), Cathay Pacific Airways (9.09%), Japan Airlines (9.09%), SIA Engineering Co. (5%), Boeing Commercial Airplane Group (9.09%), Xiamen Aviation Industry Company (10%) and Beijing Kailan Aviation Technology Development and Service Co. Ltd. (8.18%).

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