



For Immediate Release

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HAECO group acquires GE engine overhaul facility in Xiamen

Hong Kong Aircraft Engineering Company Limited (HAECO Stock Code: 0044) and Taikoo (Xiamen) Aircraft Engineering Company Limited (TAECO) have today entered into an agreement with GE Pacific Private Limited and General Electric Company to purchase a majority shareholding in GE Engine Services (Xiamen) Company Limited (GEEX). The HAECO shareholding will be 75.01% and the TAECO shareholding will be 10% in GEEX. In addition, Cathay Pacific Airways Ltd. will take a 9.9% shareholding.

GEEX is the owner of an engine overhaul facility adjoining TAECO's aircraft maintenance facility in Xiamen, and its assets include an engine shop with a floor area of 3,500 square metres and an advanced engine test cell capable of accommodating the full range of GE engines. The facility was designed and built to GE Aviation standards, including environmental, health and safety standards, and has recently been utilised in testing GE90 jet engines. The GE90-115B is the world's biggest and most powerful engine, delivering 115,000 pounds of thrust for the Boeing 777-300ER and -200LR aircraft.

The GEEX facility will be renamed Taikoo Engine Services (Xiamen) Limited (TEXL). Concurrent with the purchase of the majority shareholding in GEEX by HAECO and TAECO, TEXL and GE have entered into a GE branded service arrangement for a period of 22 years. This agreement means that TEXL will become the GE authorised and supported GE90 engine shop in Asia, with full overhaul capability.

The total transaction value including the facility cost and the branded service arrangement amounts to US\$107.8m. Completion of these transactions is conditional on the parties concerned obtaining all applicable Government and/or regulatory approvals.

HAECO Chairman Christopher Pratt commented, "This is a significant first step in what we hope will be a long term relationship with GE Aviation. To have the opportunity of beginning this relationship with the overhaul of the world's largest engine is very exciting indeed."

TAECO Chairman P.K. Chan said, “This is a new development for the HAECO group, enabling us to provide comprehensive heavy maintenance services for our customer airlines, including aero-engine overhaul in respect of the full range of GE90 engines, all under the one roof here in Xiamen.”

Scott Donnelly, President and CEO of GE Aviation (headquartered in Cincinnati, Ohio USA), noted, “General Electric Company is keen to establish itself further within the People’s Republic of China. We see this agreement with the HAECO group as an important transaction.”

Thomas Gentile, President and CEO of GE Aviation Services, said, “I am delighted to have reached this agreement with HAECO and TAECO, and we very much look forward to working with them to provide continued excellence in engine overhaul for a world-class engine.”

About HAECO

HAECO, one of the world’s leading aeronautical engineering groups, is engaged in the maintenance, modification, repair and overhaul of commercial aircraft and their components, including passenger-to-freighter conversions. The company offers a comprehensive package covering transit and technical services with full hangar support in Hong Kong. HAECO is publicly listed on the Hong Kong Stock Exchange. HAECO’s website: www.haeco.com.

About TAECO

TAECO is a subsidiary of HAECO which provides heavy maintenance on Boeing and Airbus aircraft, including passenger-to-freighter conversions. It also provides line maintenance at a number of airports in Mainland China. TAECO’s website: www.taeco.com.

Note for editors: The GE90 is the exclusive engine for the Boeing 777-300ER of which Cathay Pacific has seven in service and another 23 on firm order.

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