
Media Information

For immediate release

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TAECO Expands

Taikoo (Xiamen) Aircraft Engineering Company Limited (TAECO), a subsidiary of Hong Kong Aircraft Engineering Company Limited (HAECO), announced today that it has signed an agreement with the Government of Xiamen, People's Republic of China, to build its fifth hangar and ancillary facilities at Gaoqi International Airport, Xiamen.

Capital cost for the new facility will be approximately US\$ 70 million, to be funded mainly from TAECO's internal reserves. Scheduled for completion in early 2007, the new hangar will be able to accommodate two wide-bodied aircraft.

Mr. P.K. Chan, Chairman of TAECO, said, "The new facility, together with the fourth hangar due to open by the end of this year, will provide the required additional capacity for the robust cargo conversion business and increasing workloads on heavy maintenance from our clients' expanding fleets. TAECO will continue to invest in both facilities and human resources to enhance its services to customers."

TAECO is a joint venture between HAECO (54.55%), Cathay Pacific Airways Ltd. (9.09%), Japan Airlines Co. (9.09%), The Boeing Co. (9.09%), Xiamen Aviation Industry Company (10%), and Beijing Kailan Aviation Technology Co. (8.18%). It is the first Maintenance Repair Organization that performs B747-400 passenger to freighter conversions. The first converted freighter performed for The Boeing Company is a Cathay Pacific aircraft, which is due to be re-delivered in December 2005.

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