



For Immediate Release

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**HAECO Group announces new aircraft maintenance services centre
in Mainland China**

Hong Kong Aircraft Engineering Company Limited (HAECO), Taikoo (Xiamen) Aircraft Engineering Company Limited (TAECO), Sichuan Airlines Group and Sichuan Haite High-Tech Co., Ltd. have today signed an agreement to form a new joint venture aircraft engineering company at Chengdu, Sichuan Province, in Mainland China. The four partners will take 40%, 9%, 42% and 9% respectively in Taikoo Sichuan Aircraft Engineering Services Company Limited, which will provide heavy maintenance, aircraft conversion, line maintenance, fleet technical management, inventory technical management and other engineering services for Airbus aircraft. At a total investment of approximately RMB1 billion to RMB1.2 billion, the project will be developed in stages, with Phase One, including two one-bay narrow-body hangars, costing around RMB150 million. The first hangar is scheduled to commence operation in the first half of 2010.

The facility will be located at the northern end of the runway at Chengdu Shuangliu International Airport, and will cover an area of approximately 450 acres. Upon completion, the whole facility will be able to accommodate four A340 and four A320 aircraft at the same time, providing over 3,000 technical positions. The project is the first Sino-foreign joint venture in Mainland China to specialise in Airbus aircraft maintenance, and will help to meet the strong demand for quality aircraft maintenance services in Mainland China.

The Deputy Mayor of Sichuan Province, Head of the Civil Aviation Administration of China Southwest region, and other local dignitaries attended today's contract-signing ceremony.

P.K. Chan, Deputy Chairman and Chief Executive Officer of HAECO, said: "The facility will provide comprehensive and competitively priced aircraft maintenance services to our shareholder airlines and other Airbus aircraft operators in China, India and Southeast Asia. With the efforts of all our partners and the support of the Sichuan provincial government, the facility will become one of the leading comprehensive Airbus aircraft maintenance centres in the region."

Lan Xinguo, Chairman of Sichuan Airlines Group, said: "For Sichuan Airlines, the establishment of Taikoo Sichuan Aircraft Engineering Services Company Limited is a strategic move designed to support the growth of Sichuan Province as a leading industrial province, leveraging on the presence of strong airline groups in Chengdu. The project will help to promote the development of civil aviation in Western China, as envisaged by the Civil Aviation Administration of China, by making optimum use of foreign investment, and will assist the airlines themselves maintain a strong foothold in their core business, while developing other aviation-related businesses.

Sichuan Airlines is highly confident about the future of the aviation industry in Sichuan and Southwest China, and our partners in Taikoo Sichuan Aircraft Engineering Services Company Limited are all equally optimistic about the long-term market outlook.”

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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 (Stock Code: 00044). 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.

About Sichuan Airlines Group

Sichuan Airlines Group is a large-scale state-owned enterprise and the biggest civil aviation group in Western China. Sichuan Airlines Co. Ltd., a subsidiary of Sichuan Airlines Group, is a large-scale aviation enterprise in Mainland China. Sichuan Airlines Group currently holds a 20% stake in United Eagle Airlines and a 33.5% interest in Northeast Airlines.

About Sichuan Haite High-Tech Co., Ltd.

Established in 1992, Sichuan Haite High-Tech Co., Ltd. is a large-scale privately-owned enterprise in Mainland China that specialises in the maintenance of modern airborne equipment. It is mainly engaged in the maintenance of airborne equipment, aviation power equipment and aircraft, the development of aviation technology and software as well as the development and marketing of airborne equipment and test equipment. Products and services are provided for over 40 aircraft types including Boeing, Airbus and other aircraft.

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