

For immediate release

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Sixth Hangar for TAECO

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

The new facility, at a capital cost of US\$67 million, is scheduled for completion end 2008. It will have the capacity to accommodate two wide-bodied aircraft.

Mr. P.K. Chan, Chairman of TAECO, said, "With the strong support of the Xiamen Government, TAECO has developed rapidly and its facilities are now at saturation point. Our sixth hangar will help to solve this problem, increase our productivity, and enhance our services so that we can satisfy the growing demands of our customers. This is very much in line with our long term business developments on the Mainland."

TAECO 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.

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