

For immediate release

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### **Landing Gear Joint Venture in Xiamen**

Hong Kong Aircraft Engineering Company Ltd. (HAECO) announced today that it has signed a Memorandum of Understanding (MOU) with Taikoo (Xiamen) Aircraft Engineering Company Ltd. (TAECO), Cathay Pacific Airways Ltd., Shaanxi Liaoyuan Hydraulic System Company Ltd., Xiamen Aviation Industries Co. Ltd. and Xian Aircraft International Company Ltd. to establish a landing gear joint venture at the Goaqi International Airport in Xiamen, China, subject to all necessary approvals.

Under the MOU, the companies plan to jointly construct a service facility to provide full repair and overhaul services for aircraft landing gear systems with the initial focus on Boeing 737, 777 and 747 landing gear. The service centre is scheduled for completion by the middle of 2008, at a projected total investment of US\$42m.

Mr. P.K. Chan, Deputy Chairman and Chief Executive Officer of HAECO and Chairman of TAECO, said, "We are delighted to be involved in this partnership and we are confident that significant expertise and knowledge will be brought to the joint venture. Moreover, China's maintenance, repair and overhaul market is undergoing massive growth, and the joint venture will ensure that we capture business opportunities in the future."

HAECO is one of the world's leading aeronautical engineering groups, and is the only full service provider to commercial aircraft transiting Hong Kong International Airport, offering a comprehensive package that includes full technical certification line maintenance, airframe heavy checks, major structural modifications, repair, overhaul, and painting, as well as overhaul capability on a wide range of avionics and mechanical components. The company provides round-the-clock ramp handling and maintenance services for 60 major airline customers in addition to its scheduled Hong Kong base customers, handling an average of 90,000 movements a year. HAECO is publicly listed on the Hong Kong Stock Exchange.

TAECO is a subsidiary of HAECO. It currently operates four hangars at Gaoqi International Airport in Xiamen, each capable of housing two wide body aircraft, has another two similar sized hangars under construction, and is the premier independent aircraft maintenance and modification organisation in Mainland China. It is one of only a handful of facilities in the world licensed by Boeing to carry out conversions on Boeing 747-400 aircraft from passenger to full freighter configuration.

For further information, please contact

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