



HAECO

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HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 44)

Extension of Master Franchise

HAECO has entered into agreements with the Airport Authority pursuant to which HAECO will build a second hangar at the Airport and is granted an extension of the Master Franchise so that it expires on 5th July, 2031 instead of 5th July 2018.

Under the Master Franchise, HAECO has the right to provide comprehensive aircraft maintenance at the Airport.

On 20th January 2005, HAECO entered into agreements with the Airport Authority to build a second hangar and a cargo apron line maintenance office at the Airport, subject to the approval by the Director of Lands of the change in the use of the land. As part of the agreements, the Airport Authority has agreed to extend the Master Franchise so that it expires on 5th July, 2031 instead of 5th July 2018.

The investment in the new facilities is budgeted at HK\$320 million and HAECO plans to recruit and train more than 450 new staff over the next three to five years for the increased capacity.

This announcement is made pursuant to paragraph 13.09 of the Listing Rules of the Hong Kong Stock Exchange Limited.

Directors

As at the date of this announcement, the Directors of HAECO are:

Executive: D.M. Turnbull, P.K. Chan, M.A. Bowles, M. Hayman, J.C.G. Bremridge

Non-Executive: D.G. Cridland, D.C.Y. Ho, P.A. Johansen, A.N. Tyler

Independent Non-Executive: R.E. Adams, J.S. Dickson Leach, L.K.K. Leong

Definitions

- "Airport Authority"** A body corporate existing by virtue of the Airport Authority Ordinance (Cap. 483).
- "Airport"** Hong Kong International Airport at Chek Lap Kok.
- "HAECO"** Hong Kong Aircraft Engineering Company Limited, the principal activity of which is the provision of overhaul and maintenance services for commercial aircraft.
- "Master Franchise"** A franchise agreement dated 30th October 1996 between HAECO and the Airport Authority for the provision of aircraft maintenance services at the Airport, originally to expire on 5th July 2018.

By Order of the Board

Hong Kong Aircraft Engineering Company Limited

Margaret Yu

Company Secretary

Hong Kong, 27th January 2005



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