

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00044)

2009 FINAL RESULTS

		2009	2008	Change %
Turnover	HK\$ million	4,045	4,901	-17%
Attributable profit	HK\$ million	688	1,138	-40%
Earnings per share	HK\$	4.14	6.84	-40%
Dividends per share				
- Interim and final dividends	HK\$	2.00	3.18	-37%

CHAIRMAN'S STATEMENT

Results

HAECO's profit attributable to shareholders in 2009 was HK\$688 million, a decrease of 40% from the 2008 profit of HK\$1,138 million.

2009 was a challenging year for the Group. The decrease in profit for the year primarily resulted from reduced demand for the Group's airframe heavy maintenance and line maintenance services. This reflected the deterioration in aviation market conditions as airlines reduced maintenance expenditure and grounded aircraft in response to the global economic downturn. For the first time in several years, the Group's airframe heavy maintenance facilities in Hong Kong and Xiamen had substantial unsold capacity. The fall in demand for line maintenance operations was in line with the level of aircraft movements at Hong Kong International Airport ("HKIA").

Your Directors have recommended a final dividend for 2009 of HK\$1.50 per share which, together with the interim dividend of HK\$0.50 per share paid on 22nd September 2009, results in a total distribution for the year of HK\$2.00 per share, compared to total dividends of HK\$3.18 per share in respect of 2008.

Investments

Notwithstanding the current difficult operating environment, the Group has continued to invest in projects designed to expand its facilities and the range of aviation maintenance and repair services it can offer to customers.

HAECO opened its third hangar in Hong Kong in September 2009. Taikoo (Shandong) Aircraft Engineering Company Limited opened its fifth hangar in Jinan in May 2009. Taikoo Spirit AeroSystems (Jinjiang) Composite Company Limited opened its specialist composite

repair facility and Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited opened its tyre retreading facility at Jinjiang in Fujian Province in November 2009. Taikoo (Xiamen) Aircraft Engineering Company Limited (“TAECO”) is expected to open its sixth hangar in the first half of 2011. Hong Kong Aero Engine Services Limited (“HAESL”) is constructing a component repair extension which is planned to be operational in the first quarter of 2011. Taikoo Sichuan Aircraft Engineering Services Company Limited is constructing its first hangar in Chengdu, with operations scheduled to commence in the second half of 2010.

Staff

In view of the current weakness in the market, the Group imposed a general recruitment freeze in 2009, but continued to seek engineering apprentices and to invest in training staff to cater for business growth in the longer term. The Group’s total headcount at the end of 2009 was 12,615, a marginal decrease from the end of 2008.

On behalf of the shareholders, I would like to thank all staff for their hard work and continuing support.

Outlook

In recent months there has been some recovery from the difficult market conditions which the Group encountered for most of 2009. This recovery is expected to continue although the speed at which it does so remains uncertain. We expect increased aircraft movements at HKIA and better utilisation of our hangars in 2010. However, start up losses at our new joint ventures in Mainland China will affect the Group’s results in 2010. Overall 2010 will be another challenging year. We will endeavour to contain costs whilst continuing to deliver quality service to customers.

The Group has been building for the future with confidence. I believe that with the investments made in new strategic joint ventures and core business facilities, and with its excellent quality of work and service, the Group is well placed to take advantage of future long term growth in the aviation industry.

Christopher Pratt

Chairman

Hong Kong, 9th March 2010

REVIEW OF OPERATIONS

The Company's profit attributable to its shareholders comprises:

	2009	2008	Change
	HK\$M	HK\$M	%
HAECO Hong Kong operations	227	420	-46%
Share of:			
TAECO	106	275	-61%
HAESL and SAESL	363	397	-9%
Other subsidiary and jointly controlled companies	(8)	46	-117%
	<u>688</u>	<u>1,138</u>	-40%

HAECO Hong Kong Operations

The Company's Hong Kong operations comprise airframe heavy maintenance in its hangars, line maintenance at the passenger and cargo terminals at HKIA, component overhaul at Tseung Kwan O and inventory technical management services.

The airframe heavy maintenance division in Hong Kong provides a comprehensive range of scheduled maintenance checks, modifications and overhaul work on a wide variety of aircraft types. It competes on price, availability of space, turnaround time and quality of workmanship with other maintenance, repair and overhaul facilities worldwide. In 2009, there was reduced demand for airframe heavy maintenance services. Manhours sold decreased from 2.65 million in 2008 to 2.39 million in 2009. Approximately 63% of the division's work was for airlines based outside Hong Kong. The Company opened its third heavy maintenance hangar in Hong Kong in September 2009. Space has also been provided for further expansion on an adjacent site.

The line maintenance division provides a comprehensive range of technical and non-technical services to airlines operating at HKIA. As a result its activities are linked with the level of aircraft movements. There was a reduction in aircraft movements at HKIA in 2009, reflecting a weak cargo market and a reduction in scheduled passenger services, although there was some recovery in the final quarter. The average number of movements handled by HAECO was 249 per day in 2009, 9% down from 274 per day in 2008.

The component overhaul division occupies 7,000 square metres of workshop space at Tseung Kwan O. Although equipment manufacturers are engaging more in the component overhaul business as part of their after sales service, the Company has continued to make investments designed to enhance its capabilities in this area of business. Manhours sold for component overhaul activities were 0.28 million in 2009, 8% up from 0.26 million in 2008. Utilisation of the component overhaul facilities during the year was reasonable.

The Company provides inventory technical management services for rotatable spares for various aircraft, including Airbus A300-600F, A319-100, A320-200 and A330-300 and Boeing 747-200F aircraft.

Total headcount for the Hong Kong operations decreased by 5% during the year to 4,621 at the end of 2009.

Taikoo (Xiamen) Aircraft Engineering Company Limited

TAECO performs airframe heavy maintenance and passenger to freighter conversions using five wide-body double bay hangars at Xiamen Gaoqi International Airport. It also performs line maintenance operations in Beijing, Tianjin, Shanghai and Xiamen, handling an average of 40 movements per day during the year.

TAECO reported a significant reduction in profitability in 2009, with profit attributable to the Company's shareholders down by 61% to HK\$106 million. Although business in the first half of the year held up reasonably well, the company's facilities were severely under-utilised during the second half of 2009, as the impact of the global downturn on the aviation industry made itself felt. Against a background of capacity reductions by most of TAECO's major customers, manhours sold decreased by 27% from 4.07 million in 2008 to 2.98 million in 2009. Despite measures taken to contain costs, the fact that a significant proportion of costs are fixed meant that profit fell substantially. The passenger to freighter conversion business remained weak in 2009 with four Boeing 747-400 passenger to freighter conversion aircraft completed during the year and two in progress at the year-end.

The company is constructing its sixth hangar, the opening of which was delayed until 2011 in view of market conditions. Under an agreement with Airbus, TAECO is creating a cabin completion centre in Mainland China for Airbus corporate and business aircraft. It is expected to be operational by the end of 2010.

At the end of 2009, TAECO's headcount totalled 5,094, a 3% reduction compared to 5,268 at the end of 2008.

Hong Kong Aero Engine Services Limited

HAESL (45% owned) repairs and overhauls Rolls-Royce engines and engine components at its facility at Tseung Kwan O. The company reported satisfactory profit growth in the first half of 2009 but business was weak in the second half of the year as major customers reduced flying hours and grounded aircraft, in particular B747s. 204 engine equivalents were handled in 2009 compared to 223 in 2008. The effect of the reduction in volume was partially offset by a favourable work mix and by measures taken to control costs.

Singapore Aero Engine Services Pte. Limited ("SAESL"), in which HAESL has a 20% interest, reported a slight reduction in turnover but an increase in profit due to a favourable work mix and good cost controls in 2009. The Group's share of the after-tax profit of HAESL, including its interest in SAESL, fell 9% in 2009 to HK\$363 million.

HAESL is constructing a 9,600 square metre extension to its existing component repair facilities. It is expected to commence operations in early 2011.

Liquidity and financing

At 31st December 2009, the Group had net borrowings amounting to HK\$143 million, with a gearing ratio of 2.3%. Net borrowings comprised short-term loans of HK\$425 million and long-term loans of HK\$701 million less bank balances and short-term deposits of HK\$983 million. Committed loan facilities amounted to HK\$2,048 million, of which HK\$1,008 million remained undrawn. In addition, the Group had undrawn uncommitted facilities totalling HK\$137 million.

Sources of funds at 31st December 2009 comprised:

	Available HK\$M	Drawn HK\$M	Undrawn expiring within one year HK\$M	Undrawn expiring beyond one year HK\$M
Committed facilities				
- Loans	2,048	1,040	386	622
Uncommitted facilities				
- Loans	223	86	132	5
Total	2,271	1,126	518	627

Corporate governance

The Board is committed to a high standard of corporate governance and has adopted the Code on Corporate Governance Practices (the “Code”) promulgated by The Stock Exchange of Hong Kong Limited. It has complied throughout the year with all the mandatory code provisions and with all the recommended best practices with the following exceptions:

- Independent Non-Executive Directors representing one-third of the Board (Section A.3.2 of the Code).
- quarterly reporting (Section C.1.4 of the Code) which the Board considers would provide little information of additional value to shareholders while increasing administrative costs and pressure to focus on short-term results rather than long-term value creation.
- establishing a nomination committee (Section A.4.4 of the Code) as the Board considers it is in the best interest of the Company and potential new appointees that they collectively review and approve the appointment of new directors.

Details of corporate governance can be found in the 2009 annual report.

The annual results for the year have been reviewed by the Audit Committee of the Company.

Consolidated Income Statement
for the year ended 31st December 2009

	Note	2009 <u>HK\$M</u>	2008 <u>HK\$M</u>
Turnover	2	4,045	4,901
Operating expenses:			
Staff remuneration and benefits		(1,980)	(1,965)
Cost of direct material and job expenses		(921)	(1,208)
Depreciation, amortisation and impairment		(358)	(305)
Insurance and utilities		(103)	(101)
Operating lease rentals - land and buildings		(129)	(116)
Repairs and maintenance		(121)	(154)
Other operating expenses		(88)	(134)
		<u>(3,700)</u>	<u>(3,983)</u>
Other net gains	3	40	92
Operating profit		<u>385</u>	<u>1,010</u>
Net finance (charge)/income	4	(5)	7
Net operating profit		<u>380</u>	<u>1,017</u>
Share of after-tax results of jointly controlled companies		420	462
Profit before taxation		<u>800</u>	<u>1,479</u>
Taxation	5	(40)	(129)
Profit for the year		<u><u>760</u></u>	<u><u>1,350</u></u>
Profit attributable to:			
The Company's shareholders		688	1,138
Minority interests		72	212
		<u><u>760</u></u>	<u><u>1,350</u></u>
Dividends			
Interim - paid		83	155
Final - proposed/paid		249	374
	6	<u><u>332</u></u>	<u><u>529</u></u>
Earnings per share attributable to the Company's shareholders (basic and diluted)	7	<u><u>HK\$4.14</u></u>	<u><u>HK\$6.84</u></u>

Consolidated Statement of Comprehensive Income
for the year ended 31st December 2009

	<u>2009</u>	<u>2008</u>
	HK\$M	HK\$M
Profit for the year	760	1,350
Other comprehensive income/(loss):		
Changes in cash flow hedges		
- recognised during the year	11	(68)
- deferred tax recognised	7	5
- transferred to other net gains	(47)	(51)
Exchange translation differences on foreign operations	1	(4)
Other comprehensive loss for the year, net of tax	<u>(28)</u>	<u>(118)</u>
Total comprehensive income for the year	<u>732</u>	<u>1,232</u>
Total comprehensive income attributable to:		
The Company's shareholders	673	1,073
Minority interests	59	159
	<u>732</u>	<u>1,232</u>

Note: Items other than cash flow hedges shown within other comprehensive income have no tax effect.

Consolidated Statement of Financial Position

at 31st December 2009

	Note	2009 HK\$M	2008 HK\$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		4,618	4,197
Leasehold land and land use rights		317	326
Intangible assets		551	545
Jointly controlled companies		988	907
Derivative financial instruments		4	9
Deferred tax assets		39	32
Retirement benefit assets		272	211
		<u>6,789</u>	<u>6,227</u>
Current assets			
Stocks of aircraft parts		221	130
Work in progress		111	195
Trade and other receivables	8	536	628
Taxation recoverable		8	-
Derivative financial instruments		13	49
Cash and cash equivalents		844	881
Short-term deposits		139	11
		<u>1,872</u>	<u>1,894</u>
Current liabilities			
Trade and other payables	9	989	1,112
Taxation payable		-	45
Derivative financial instruments		15	7
Short-term loans		425	289
Long-term loans due within one year		106	-
		<u>1,535</u>	<u>1,453</u>
Net current assets		<u>337</u>	<u>441</u>
Total assets less current liabilities		<u>7,126</u>	<u>6,668</u>
Non-current liabilities			
Long-term loans		595	388
Receipt in advance		79	90
Derivative financial instruments		-	18
Deferred tax liabilities		311	272
		<u>985</u>	<u>768</u>
NET ASSETS		<u>6,141</u>	<u>5,900</u>
EQUITY			
Share capital	10	166	166
Reserves	11	5,011	4,795
Equity attributable to the Company's shareholders		<u>5,177</u>	<u>4,961</u>
Minority interests		964	939
TOTAL EQUITY		<u>6,141</u>	<u>5,900</u>

1. Basis of principal accounting policies

The accounts have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and the disclosure requirements set out in the Listing Rules of the Hong Kong Stock Exchange.

Accounting policies have been changed to comply with changes in HKFRS requirements. The adoption of these HKFRS standards and interpretations does not have any material effect on the accounts.

2. Turnover and segment information

Turnover represents the aggregated amounts invoiced to customers and changes in work in progress.

The Group is engaged in commercial aircraft overhaul, modification and maintenance mainly in Hong Kong and Mainland China. Management has determined the operating segments based on the reports used by the Board of Directors to assess performance and allocate resources. The Board considers the business primarily from an entity perspective.

The segment information provided to the Board of Directors for the reportable segments for the year ended is as follows:

Year ended 31st December 2009	HAECO HK\$M	TAECO HK\$M	TEXL HK\$M	At 100% HK\$M	HAESL	Other segments - subsidiary companies HK\$M	Inter- segment elimination/ unallocated adjustments HK\$M	Total HK\$M
					Adjustments to reflect the Group's equity share HK\$M			
External turnover	2,708	1,260	-	7,033	(7,033)	36	-	4,004
Inter-segment turnover	116	5	-	2	(2)	9	(89)	41
Total turnover	<u>2,824</u>	<u>1,265</u>	<u>-</u>	<u>7,035</u>	<u>(7,035)</u>	<u>45</u>	<u>(89)</u>	<u>4,045</u>
Operating profit/(loss)	264	209	(43)	832	(832)	(45)	-	385
Finance income	1	5	1	-	-	-	-	7
Finance charge	(4)	(2)	(2)	(1)	1	(4)	-	(12)
Share of after-tax results of jointly controlled companies	-	-	-	104	259	-	57	420
Profit/(loss) before taxation	<u>261</u>	<u>212</u>	<u>(44)</u>	<u>935</u>	<u>(572)</u>	<u>(49)</u>	<u>57</u>	<u>800</u>
Taxation (charge)/credit	(33)	(20)	2	(129)	129	13	(2)	(40)
Profit/(loss) for the year	<u>228</u>	<u>192</u>	<u>(42)</u>	<u>806</u>	<u>(443)</u>	<u>(36)</u>	<u>55</u>	<u>760</u>
Depreciation and amortisation	156	126	26	59	(59)	26	-	334
Provision for impairment of stock and rottable spares	26	5	-	8	(8)	-	-	31
Auditors' remuneration - statutory audit fees	1	1	-	-	-	-	-	2

2. Turnover and segment information (cont'd)

	2009 HK\$M	2008 HK\$M
Reportable segments' assets are reconciled to total assets as follows:		
Total segment assets	7,643	7,185
Unallocated: investment in jointly controlled companies	988	907
Unallocated: intangible assets - goodwill	30	29
Total assets	<u>8,661</u>	<u>8,121</u>

The Group's jointly controlled companies, except for SAESL, are held by HAECO and TAECO.

Reportable segments' liabilities are equal to total liabilities.

3. Other net gains

	Group	
	2009 HK\$M	2008 HK\$M
Net foreign exchange gains	40	58
Fair value losses on derivative financial instruments:		
Forward foreign exchange contracts not qualifying for hedge accounting	-	(4)
Profit on sale of jointly controlled companies	-	38
	<u>40</u>	<u>92</u>

4. Net finance (charge)/income

	Group	
	2009 HK\$M	2008 HK\$M
Finance income:		
Short-term deposits and bank balances	7	18
Finance charge:		
Bank loans	(12)	(11)
	<u>(5)</u>	<u>7</u>

5. Taxation

	Group	
	2009	2008
	HK\$M	HK\$M
Current taxation:		
Hong Kong profits tax	(8)	53
Overseas taxation	9	86
	<u>1</u>	<u>139</u>
Deferred taxation:		
Increase in deferred tax assets	-	(24)
Increase in deferred tax liabilities	39	14
	<u>40</u>	<u>129</u>

Hong Kong profits tax is calculated at 16.5% (2008: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

The Group's share of jointly controlled companies' tax charge of HK\$70 million (2008: HK\$83 million) is included in the share of after-tax results of jointly controlled companies shown in the consolidated income statement.

6. Dividends

	Company	
	2009	2008
	HK\$M	HK\$M
Interim dividend, paid on 22nd September 2009, of HK\$0.50 per share (2008: HK\$0.93 per share)	83	155
Final dividend, proposed, of HK\$1.50 per share (2008 actual dividend paid: HK\$2.25 per share)	249	374
	<u>332</u>	<u>529</u>

Subject to the approval of the 2009 final dividend by the shareholders at the Annual General Meeting on 11th May 2010, it is expected that the final dividend will be paid on 20th May 2010 to shareholders registered at the close of business on the record date, being 11th May 2010. The share register will be closed from 5th May 2010 to 11th May 2010, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for entitlement to the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 4th May 2010.

7. Earnings per share (basic and diluted)

Earnings per share are calculated by dividing the profit attributable to the Company's shareholders of HK\$688 million (2008: HK\$1,138 million) by the weighted average number of 166,324,850 ordinary shares in issue during the year (2008: 166,324,850).

8. Trade and other receivables

The credit terms given to customers vary and are generally based on their individual financial strength. Credit evaluations of trade receivables are performed periodically to minimise credit risk associated with receivables.

	Group		Company	
	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M
Trade receivables - in HK dollars	97	102	97	102
in US dollars	204	209	131	99
in other currencies	29	12	-	-
	<u>330</u>	<u>323</u>	<u>228</u>	<u>201</u>
Less: Provision for impairment of receivables	(2)	(20)	(2)	(19)
	<u>328</u>	<u>303</u>	<u>226</u>	<u>182</u>
Amounts due from subsidiary companies	-	-	78	111
Amounts due from jointly controlled companies	33	15	10	9
Amounts due from related parties	49	152	22	136
Other receivables and prepayments	126	158	82	123
	<u>536</u>	<u>628</u>	<u>418</u>	<u>561</u>

The ageing analysis of trade receivables is as follows:

	Group		Company	
	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M
Current	177	137	116	83
Up to 3 months overdue	78	105	50	39
3 to 6 months overdue	5	3	1	2
Over 6 months overdue	70	78	61	77
	<u>330</u>	<u>323</u>	<u>228</u>	<u>201</u>

8. Trade and other receivables (cont'd)

At 31st December 2009, trade receivables of the Group of HK\$2 million (2008: HK\$20 million) and of the Company of HK\$2 million (2008: HK\$19 million) were considered impaired and provided for. The impaired trade receivables relate to customers which are in unexpectedly difficult financial situations. The ageing of these receivables is as follows:

	Group		Company	
	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M
Up to 3 months overdue	2	-	2	-
3 to 6 months overdue	-	-	-	-
Over 6 months overdue	-	20	-	19
	<u>2</u>	<u>20</u>	<u>2</u>	<u>19</u>

9. Trade and other payables

	Group		Company	
	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M
Trade payables	77	133	32	14
Amounts due to subsidiary companies	-	-	34	4
Amounts due to jointly controlled companies	2	-	2	-
Amounts due to related parties	21	26	10	24
Other payables and accruals	889	953	527	651
	<u>989</u>	<u>1,112</u>	<u>605</u>	<u>693</u>

The ageing analysis of trade payables is as follows:

	Group		Company	
	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M
Current	70	124	30	6
Up to 3 months overdue	7	9	2	8
	<u>77</u>	<u>133</u>	<u>32</u>	<u>14</u>

10. Share capital

During 2009, no purchase, sale or redemption of the Company's shares has been effected on the Hong Kong Stock Exchange by the Company or its subsidiary companies (2008: nil).

11. Reserves

	Revenue reserve		Capital redemption reserve		Exchange translation reserve		Cash flow hedge reserve		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Group										
At 1st January	4,749	4,132	19	19	10	11	17	81	4,795	4,243
Profit for the year	688	1,138	-	-	-	-	-	-	688	1,138
Other comprehensive income										
Cash flow hedges										
- recognised during the year	-	-	-	-	-	-	6	(38)	6	(38)
- deferred tax recognised	-	-	-	-	-	-	4	3	4	3
- transferred to other net gains	-	-	-	-	-	-	(26)	(29)	(26)	(29)
Exchange translation differences on foreign operations	-	-	-	-	1	(1)	-	-	1	(1)
Total comprehensive income/(loss) for the year	688	1,138	-	-	1	(1)	(16)	(64)	673	1,073
Previous year's final dividend paid	(374)	(366)	-	-	-	-	-	-	(374)	(366)
Current year's interim dividend paid	(83)	(155)	-	-	-	-	-	-	(83)	(155)
At 31st December	4,980	4,749	19	19	11	10	1	17	5,011	4,795

12. Capital commitments

	Group		Company	
	2009	2008	2009	2008
	HK\$M	HK\$M	HK\$M	HK\$M
Contracted but not provided for in the financial statements	201	459	12	407
Authorised by Directors but not contracted for	1,182	1,786	124	121
	<u>1,383</u>	<u>2,245</u>	<u>136</u>	<u>528</u>

Capital commitments mainly relate to the construction of a sixth hangar by TAECO and engine overhaul facilities by TEXL at Xiamen, Mainland China.

13. Financial guarantees

The Company has guaranteed the drawn components of bank loans of a subsidiary company.

	Company	
	2009	2008
	HK\$M	HK\$M
Bank loans of a subsidiary company	<u>448</u>	<u>316</u>

Annual Report

The 2009 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange website and the Company's website www.haeco.com. Printed copies will be sent to shareholders on 7th April 2010.

Directors

The Directors of the Company as at the date of this announcement are:

Executive Directors: C.D. Pratt (Chairman), P.K. Chan, M. Hayman, M.M.S. Low, A.K.W. Tang;

Non-Executive Directors: C.P. Gibbs, D.C.Y. Ho, P.A. Johansen, M.B. Swire, The Hon. Sir Michael Kadoorie (Alternate Director to D.C.L. Tong); and

Independent Non-Executive Directors: R.E. Adams, A.K.Y. Lam, L.K.K. Leong and D.C.L. Tong.

By Order of the Board

Hong Kong Aircraft Engineering Company Limited

Christopher Pratt

Chairman

Hong Kong, 9th March 2010