

HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED

**MINUTES OF THE 2007 ANNUAL GENERAL MEETING OF THE SHAREHOLDERS
HELD AT THE PACIFIC PLACE CONFERENCE CENTRE,
LEVEL 5, ONE PACIFIC PLACE, 88 QUEENSWAY, HONG KONG,
ON TUESDAY, 8TH MAY 2007 AT 2:30 P.M.**

Present: 23 shareholders were personally present or by proxy as per the attached sheets.

Christopher Pratt	(Chairman and proxy)
P.K. Chan	(Deputy Chairman and CEO)
Charles Bremridge	(Chief Operating Officer)
Robert Adams	(Director)
Martin Cubbon	(Director)
Mark Hayman	(Director)
Ashok Sathianathan	(Director)
Dinty Dickson Leach	(Director)
Christopher Gibbs	(Director)
Davy Ho	(Director)
Peter Johansen	(Director)
Albert Lam	(Director)
Michelle Low	(Director)
David Tong	(Director)
Tony Tyler	(Director)
David Fu	(Secretary)
Simon Neill	(Representing the Auditors, PricewaterhouseCoopers)
Romy Cheng	(Representing the Registrars, Computershare Hong Kong Investor Services Limited)
Kinny Cheung	

Notice of Meeting: The Chairman noted that a quorum was present and that the Notice convening the Meeting had been served on shareholders for the prescribed period.

With the approval of the shareholders attending the Meeting, the Notice convening the Meeting, a copy of which is attached to and forms part of these minutes, was taken as read.

Poll: The Chairman demanded that all the resolutions proposed at the Meeting be voted on by poll in accordance with Article 72(a) of the Company's Articles of Association and directed that the poll be conducted after all the resolutions had been proposed and considered. He advised that the poll results would be notified to the Stock Exchange and published in

The Standard, Hong Kong Economic Journal and the Company's website the following day.

Auditors' Report:

Simon Neill, representing the Auditors, PricewaterhouseCoopers, read the Report of the Auditors.

Final Dividends:

The Chairman noted that the Report of the Directors and the Accounts for the year ended 31st December 2006, together with the Notice of Meeting containing the detailed resolutions to be considered at the Meeting, had been in the hands of the shareholders for the statutory period of time.

The Chairman proposed THAT:

Resolution 1

“The recommended final dividend of HK\$1.60 per share be and is hereby declared payable.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,661,393 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

Election of Directors:

The Chairman advised that Peter Andre Johansen retired in accordance with Article 93 and, being eligible, he offered himself for re-election. Martin Cubbon, Christopher Patrick Gibbs, Albert Lam Kwong Yu, Michelle Low Mei Shuen, Mohan Joseph Ashokumar Sathianathan, David Tong Chi Leung and the Chairman, who had been appointed as Directors of the Company under Article 91 since the last Annual General Meeting, also retired and offered themselves for election.

The Chairman proposed THAT:

Resolution 2 (a)

“Peter Andre Johansen be re-elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,510,793 votes	(100%)
Against:	0 votes	(0 %)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman proposed THAT:

Resolution 2 (b)

“Martin Cubbon be re-elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,671,793 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman proposed THAT:

Resolution 2 (c)

“Christopher Patrick Gibbs be elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,671,793 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman proposed THAT:

Resolution 2 (d)

“Albert Lam Kwong Yu be elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,671,793 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman proposed THAT:

Resolution 2 (e)

“Michelle Low Mei Shuen be elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,671,793 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

Miss Florence Lam, representing Cathay Pacific Airways Limited, a shareholder, proposed THAT:

Resolution 2 (f)

“Christopher Dale Pratt be elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,671,793 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman proposed THAT:

Resolution 2 (g)

“Mohan Joseph Ashokumar Sathianathan be elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,671,793 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman proposed THAT:

Resolution 2 (h)

“David Tong Chi Leung be elected as a Director.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	125,916,780 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

**Appointment
of Auditors:**

The Chairman advised that the accounts for the year ended 31st December 2006 had been audited by PricewaterhouseCoopers who retired and, being eligible, offered themselves for re-appointment.

He proposed THAT:

Resolution 3

“PricewaterhouseCoopers be re-appointed Auditors to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,714,593 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

**Share
Repurchase
Mandate:**

The Chairman said that there remained three items of special business to be dealt with. The first item of special business was to consider and, if thought fit, to pass an Ordinary Resolution granting a general mandate to the Directors to repurchase up to 10 per cent of the issued shares of the Company on the Stock Exchange. The explanatory statement required by the Listing Rules to be sent to shareholders in that connection was set out in the Appendix to his letter to shareholders dated 11th April 2007.

The Chairman advised that since the last Annual General Meeting the Company had not repurchased any of its shares. He further advised that the Directors would consider the repurchase of shares if they felt it to be in the interest of the Company.

The Chairman proposed the following ordinary resolution:

Resolution 4

THAT

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to make on-market share repurchases (within the meaning of the Code on Share Repurchases) be approved;
- (b) the aggregate nominal amount of any class of the Company's shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of shares of that class in issue at the date of passing this Resolution; and

- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

references to “shares” include securities which carry a right to subscribe for or purchase shares.

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,688,593 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

**General
Mandate to
issue and
dispose of
additional
shares:**

The Chairman advised that the next item of special business was to consider and, if thought fit, to pass an ordinary resolution giving the Directors a new general mandate to issue additional shares in the Company up to a maximum of 20 per cent of the existing issued share capital of the Company, provided that the aggregate nominal amount of shares allotted wholly for cash would not exceed 5% of the aggregate nominal amount of the shares then in issue.

The Chairman advised that the Company had not issued any additional shares under the general mandate since the last Annual General Meeting.

The Chairman proposed the following ordinary resolution:

Resolution 5

THAT

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares and to make or grant offers, agreements and options which will or might require the exercise of such powers during or after the end of the Relevant Period be approved;
- (b) the aggregate nominal amount of shares of any class allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares, shall not exceed the aggregate of 20 per cent of the aggregate nominal amount of the shares of that class in issue at the date of passing this Resolution provided that the aggregate nominal amount of the shares of any class so allotted (or so agreed conditionally or unconditionally to be allotted) pursuant to this Resolution wholly for cash shall not exceed 5 per cent of the aggregate nominal amount of the shares of that class in issue at the date of passing this Resolution; and
- (c) for the purpose of this Resolution:
 - “Relevant Period” means the period from the passing of this Resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; and

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares to holders of shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	117,056,100 votes	(89.60%)
Against:	13,580,593 votes	(10.40%)

As more than 50% of the votes were cast in favour of this resolution, the resolution was carried.

The Chairman advised that the last item of special business was to approve an increase in the maximum aggregate fees paid to Directors in any one year from HK\$2 million to HK\$4 million.

The Chairman further advised that at the annual general meeting in 2004, shareholders resolved that Directors’ fees not exceeding an aggregate sum of HK\$2 million be paid in any one year and that had remained unchanged in spite of the increase in the number of Directors.

The Chairman proposed the following ordinary resolution:

THAT

“The aggregate fees paid to the Directors in any one year shall not exceed HK\$4 million.”

This resolution was voted on by poll after all the resolutions had been proposed and considered, with the following result:

For:	130,366,463 votes	(100%)
Against:	0 votes	(0%)

As more than 50% of the votes were cast in favour of this

resolution, the resolution was carried.

**Conclusion of
Meeting and
Poll Results :**

After all the resolutions of the Meeting had been proposed and considered, the Chairman directed that a poll on each of the resolutions be taken.

Computershare Hong Kong Investor Services Limited, the Company's Share Registrar, was appointed to act as scrutineer for the polls.

The Chairman advised that the poll results would be notified to the Stock Exchange and published in The Standard, the Hong Kong Economic Journal and the Company's website on the following day. A copy of the poll results is attached to and forms part of these minutes.

The Chairman concluded the Meeting by thanking the shareholders for their attendance.

There being no other business, the Meeting was closed at 2:44 p.m.

Chairman

HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED

ANNUAL GENERAL MEETING

TUESDAY, 8TH MAY 2007

ATTENDANCE RECORD

- 1-2. Cathay Pacific Airways Limited and Swire Pacific Limited represented by Christopher Dale PRATT
3. CHOW Har Yee
4. CHAN Mabel
5. FUNG Sui Ha
6. HKSCC Nominees Limited represented by HO Siu Ping / HSIAO Kuo Hua / YEO Horng Yao
7. HO Sai Pak
8. HSBC Nominees (Hong Kong) Limited represented by Thomas POON and John PANG
9. HUI Yin Chi
10. KWAN Yue Yui
11. LEE Yee Ling & CHAN Yun Kan
12. LEE Man Bong
13. LEUNG Luen Cheung represented by FUNG Sui Yee
14. LEUNG Ngan Se represented by LEE Sing Cheong
15. LO Wai Tin Victor represented by LUI Chi Ching
16. LUI Mei Mei
17. MIU Oi Kuen represented by TSIK To Cheong
18. Roms Nominees Limited represented by David TONG Chi Leung
19. SIU Oi Hing
20. Wavoff Nominees Limited represented by David TONG Chi Leung
21. WONG Kuen Kwong
22. WONG Lai Kam represented by LAI Miu Ching
23. YOUNG Sou Hong