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## **HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED**

**香港飛機工程有限公司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00044)

### **Change of Chairman**

Reference is made to the announcement issued by Swire Pacific Limited (“Swire Pacific”), Swire Properties Limited, Cathay Pacific Airways Limited and Hong Kong Aircraft Engineering Company Limited (the “Company”) on 8th February 2018 in relation to, among other things, certain changes in the composition of the Board (the “Board”) of Directors (the “Directors”) of the Company.

The Board announces that:

- (1) Mr. John Robert SLOSAR has resigned as Chairman of the Board and an Executive Director;
- (2) Mr. Merlin Bingham SWIRE has been elected Chairman of the Board in place of Mr. John Robert SLOSAR; and
- (3) Mr. Merlin Bingham SWIRE has been re-designated from a Non-Executive Director to an Executive Director of the Company,

such resignation, election and re-designation to take effect on 1st July 2018.

Reference is also made to the announcement issued by Swire Pacific and the Company on 10th June 2018 (the “Announcement”) in relation to, among other things, the proposed privatisation of the Company by Swire Pacific by way of a scheme of arrangement under section 673 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The Executive (as defined in the Announcement) has granted its consent to Mr. Slosar’s resignation as an Executive Director of the Company with effect from 1st July 2018 pursuant to Rule 7 of the Hong Kong Code on Takeovers and Mergers.

Mr. Slosar has confirmed that he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company. He has also confirmed that his resignation is due to his retirement and that he is not aware of any disagreement with the Board of the Company. The Board would like to express its gratitude to Mr. Slosar for his outstanding contributions and wise counsel during the four years since his appointment as Chairman of the Board and a Director of the Company on 14th March 2014 and offers its best wishes to him.

Mr. Merlin Bingham SWIRE, aged 44, joined the John Swire & Sons Limited (“Swire”) group in 1997 and has worked with the group in Hong Kong, Australia, Mainland China and the United Kingdom. He was Director and Chief Executive Officer of Taikoo (Xiamen) Aircraft Engineering Company Limited, a subsidiary of the Company, from May 2006 to June 2008. He has been a Director of the Company since 1st January 2009. He is also Deputy Chairman and a shareholder of John Swire & Sons Limited, Chairman of John Swire & Sons (H.K.) Limited (“JSSHK”), Swire Pacific Limited and Swire Properties Limited and a Director of Cathay Pacific Airways Limited. Mr. Swire graduated from the University of Oxford in August 1997 with a Bachelor of Arts (Honours) degree in Classics.

In accordance with the Company’s Articles of Association, Mr. Merlin Bingham SWIRE will hold office as a Director until the annual general meeting to be held in 2021 and will then be eligible for re-election; thereafter he will retire at the third annual general meeting following his re-election by ordinary resolution and will be eligible for re-election. Mr. Swire has entered into a letter of appointment, which constitutes a service contract, with the Company for a term expiring on the date of the annual general meeting at which he will retire, which will be renewed for a term of three years upon each election or re-election.

Mr. Swire is seconded to the Company by the Swire group under the agreement for services referred to in the Company’s announcement dated 19th August 2016.

Mr. Swire has a personal interest in 2,077,523 ordinary shares and 2,769,489 preference shares, a family interest in 130,000 ordinary shares and a trust interest in 17,546,068 ordinary shares and 13,656,040 preference shares of John Swire & Sons Limited, an associated corporation of the Company. Apart from these, he does not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance) in the shares of the Company.

As stated above, Mr. Swire is Deputy Chairman and a shareholder of Swire and Chairman of JSSHK and Swire Pacific. JSSHK is a wholly-owned subsidiary within the Swire group and is the holding company of Swire Pacific, which holds 74.99% of the shares in the Company. Except as so indicated and for the fact that he is an employee of the Swire group, Mr. Swire does not have any relationship with any Director or the senior management of the Company or with any substantial or controlling shareholder of the Company.



The remuneration of senior managers employed by the Swire group is aimed at attracting, motivating and retaining high-calibre individuals in a competitive international market. The emoluments of Mr. Swire are determined in accordance with this policy. The annual salary of Mr. Swire amounts to HK\$6,000,000. He is also entitled to other benefits in kind and to participate in the Company's Mandatory Provident Fund Scheme. He is provided with housing.

Save as disclosed above, there is no other information relating to Mr. Merlin Bingham SWIRE to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

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

Executive Directors: M.B. Swire (Chairman), W.E.J. Barrington, C.P. Gibbs, R.J. Sharpe, A.K.W. Tang;

Non-Executive Director: G.T.F. Hughes; and

Independent Non-Executive Directors: B.Y.C. Cha, Y.K. Leung, J.L. Lewis and P.P.W. Tse.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

By Order of the Board

**Hong Kong Aircraft Engineering Company Limited**

香港飛機工程有限公司

David Fu

Company Secretary

Hong Kong, 1st July 2018