

Group Profile

Hong Kong Aircraft Engineering Company Limited is engaged in the business of maintenance, refurbishment and modification of commercial aircraft and the repair and overhaul of aircraft components. The Company is based principally at Hong Kong International Airport with certain component and avionics overhaul activities based at Tseung Kwan O. It employs a total of some 3,600 staff in three primary operating divisions and a number of support departments.

LINE MAINTENANCE DIVISION

The line maintenance division employs around 1,450 people. The division consists of a number of production departments, supported by a planning department and a technical support department.

Line maintenance and ramp services departments provide a comprehensive range of technical and non-technical services to airlines operating through the airport. Technical services offered include routine maintenance, defect rectification and comprehensive repair capability. Non-technical services offered include aircraft towing, ground power supply, air-conditioning, air starting, water and toilet servicing, cabin cleaning and aircraft washing.

BASE MAINTENANCE DIVISION

The base maintenance division employs around 1,230 people. The division has several production departments, supported by a planning and production control department and a technical services department.

Aircraft maintenance and avionics departments perform a full range of scheduled maintenance checks for customers which rely upon the Company for comprehensive support and in addition undertake periodic aircraft checks, modifications and overhaul work on a wide variety of aircraft types. They are assisted by the sheet metal and support services departments which provide specialist skills in such areas as sheet metal, fabric, carpet, safety equipment, seats, painting and cabin maintenance.

The planning and production control department plans the work carried out by the division. The technical services department provides comprehensive technical services to scheduled customers. It also offers aircraft technical inspection and appraisal service to aircraft owners and operators.

The division operates a single hangar capable of fully enclosing three wide-bodied aircraft side by side at the western end of the Hong Kong International Airport. The facility is used to perform periodic checks and structural modifications for a wide range of commercial aircraft. Aircraft commonly serviced are Boeing B747 and B777, Airbus A320, A321, A330 and A340, and Lockheed TriStar.

OVERHAUL DIVISION

The overhaul division occupies a five-storey building at Tseung Kwan O with more than 7,000 square metres of modern workshop space, and employs around 230 people. The division is subdivided into separate departments for components and avionics overhaul supported by a planning department and a technical services department. It also operates a purpose-built equipment testing and calibration centre which is also available to third parties.

The component overhaul department covers mechanical, hydraulic, pneumatic and fuel system components. The Company's capability includes the overhaul of landing gear, brakes, air cycle machines, fuel control units and integrated drive generators.

The avionics overhaul department is divided into the electrical, instrument and radio workshops and the automatic test equipment section. These workshops can overhaul certain avionics used on Boeing and Airbus aircraft.

SUPPORT DEPARTMENTS

In addition to the normal support activities which include finance, computer services, personnel and marketing, the Company undertakes a number of specialized support functions.

The quality assurance department sets standards for the performance of work and monitors operating divisions to ensure compliance.

The training department provides a wide variety of courses for both new recruits and experienced staff including those required to obtain licences and approvals from various civil aviation authorities to certify work performed by the Company.

Separate departments maintain the specialized vehicles used in the Company's business, control the modification, repairs and maintenance of the Company's buildings and facilities and oversee the purchase and storage of aircraft spare parts.

SUBSIDIARY AND JOINTLY CONTROLLED COMPANIES

South China Aero Technology Limited is a joint venture with the China National Aero-Technology Import and Export Corporation, which is owned by the Chinese Government. The company is 60% owned and trades in aviation products with China.

Taikoo (Xiamen) Aircraft Engineering Company Limited operates two double-bay hangars in Xiamen, China. The company is 45.5% owned, with other investors comprising Xiamen Aviation Industry Company Limited, Beijing Kai Lan Technology Development Service Company Ltd., a wholly owned subsidiary company of Civil Aviation Administration of China, Cathay Pacific Airways Limited, Japan Airlines Company Limited, SIA Engineering Company Limited and Boeing Commercial Airplane Group.

Hong Kong Aero Engine Services Limited is 45% owned and is a joint venture with Rolls-Royce plc and SIA Engineering Company Limited. It provides commercial aero engine overhaul services at Tseung Kwan O, Hong Kong.

BFGoodrich Aerospace Asia-Pacific Limited is 49% owned and is a joint venture with the B. F. Goodrich Company. It undertakes carbon brake machining and overhauls wheel hubs in Hong Kong.

Honeywell TAECO Aerospace (Xiamen) Company Limited (formerly named AlliedSignal TAECO Aerospace (Xiamen) Company Limited) is a joint venture with Honeywell International Incorporation. It is 25% owned by the Company and 10% owned by TAECO. It provides repairs to aircraft hydraulic, pneumatic, avionic components and other aviation equipment.

Shandong TAECO Aircraft Engineering Limited is a joint venture with Shandong Airlines. It is 20% owned by the Company and 10% owned by TAECO. It provides heavy maintenance for B737 aircraft.

GE Engine Services (Xiamen) Company Limited is a joint venture with General Electric Company Limited and Xiamen Aviation Industry Company Limited. It is 20% owned by TAECO. It will provide aircraft engine overhaul services and start operations around mid 2001.

TRW TAECO Aeronautical Systems (Xiamen) Company Limited (formerly named Lucas TAECO Aerospace (Xiamen) Company Limited) is a joint venture with TRW Incorporation. It is 35% owned by TAECO. It provides repairs to aircraft fuel control, flight control and electrical components.

Singapore Aero Engine Services Pte. Limited is a joint venture with SIA Engineering Company Limited and Rolls-Royce plc. It is 20% owned by HAESL. It will provide Trent engine overhaul services and will be operational in the first half of 2002.