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HONG KONG AIRCRAFT ENGINEERING COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00044)

Announcement

Hong Kong Aircraft Engineering Company Limited (the “Company”) has taken note of the contents of a press release made on 3rd February 2010 by the Independent Commission Against Corruption (“ICAC”). The press release reads as follows:

“Man charged for alleged role in accepting illegal commissions over HAECO contracts

03.02.10

A man was today (Wednesday) charged by the ICAC for his alleged role in a conspiracy for a senior executive of the Hong Kong Aircraft Engineering Company Limited (HAECO) to accept illegal commissions in relation to the awarding of HAECO's contracts.

Chan Wing-hin, 67, faces one count of conspiracy to accept advantages, contrary to Section 9(1)(a) of the Prevention of Bribery Ordinance and Section 159A of the Crimes Ordinance.

The defendant will appear in Eastern Magistracy at 9:30 am on Friday (February 5) for transfer to the District Court.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the above bribery offence.

The charge alleges that between July 1, 1999 and February 28, 2007, the defendant had conspired together with a deputy chairman of HAECO for the latter to accept commissions from China Xiamen Corporation for International Techno-Economic Cooperation (CXC) or Hardwin Industrial Limited.

In return, the deputy chairman of HAECO allegedly awarded or continued to award training personnel accommodation arrangement and management contracts in Hong Kong of HAECO to CXC.

HAECO has rendered full assistance to the ICAC during its investigation.

The defendant has been released on ICAC bail, pending his court appearance on Friday.”

The deputy chairman of the Company referred to in the press release is Mr. CHAN Ping Kit (“Mr. Chan”), a director of the Company. Mr. Chan has told the Company that Chan Wing-hin, the person who has been charged by the ICAC, is his brother. Mr. Chan has voluntarily agreed to step down from all executive duties and not to attend any meetings of the board of the Company pending the outcome of the trial contemplated by the press release.

This announcement is made for the purpose of compliance with Rule 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

David Fu

Company Secretary

Hong Kong, 4th February 2010