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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)

Restructuring of Shareholdings in Joint Venture Companies

Reference is made to the Company's announcement (the "Original Announcement") dated 23rd November 2015. Terms defined in the Original Announcement have the same meanings in this announcement. The conditional agreements for the restructuring of shareholdings in HAESL and SAESL have become unconditional and were completed on 30th June 2016. Accordingly, HAECO and RROH now each own 50% of the shares in HAESL and HAESL no longer owns any shares in SAESL. The sale by HAESL of its previous 20% interest in the shares of SAESL resulted in a gain to HAESL of approximately US\$230 million. 45% of this gain to HAESL (equivalent to approximately HK\$807 million) will be included in the results of HAECO for the year ending 31st December 2016.

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

Executive Directors: J.R. Slosar (Chairman), W.E.J. Barrington, G.T.F. Hughes, F.N.Y. Lung, A.K.W. Tang;

Non-Executive Directors: C.P. Gibbs, M.B. Swire; and

Independent Non-Executive Directors: R.E. Adams, B.Y.C. Cha, J.L. Lewis and P.P.W. Tse.

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, 30th June 2016