

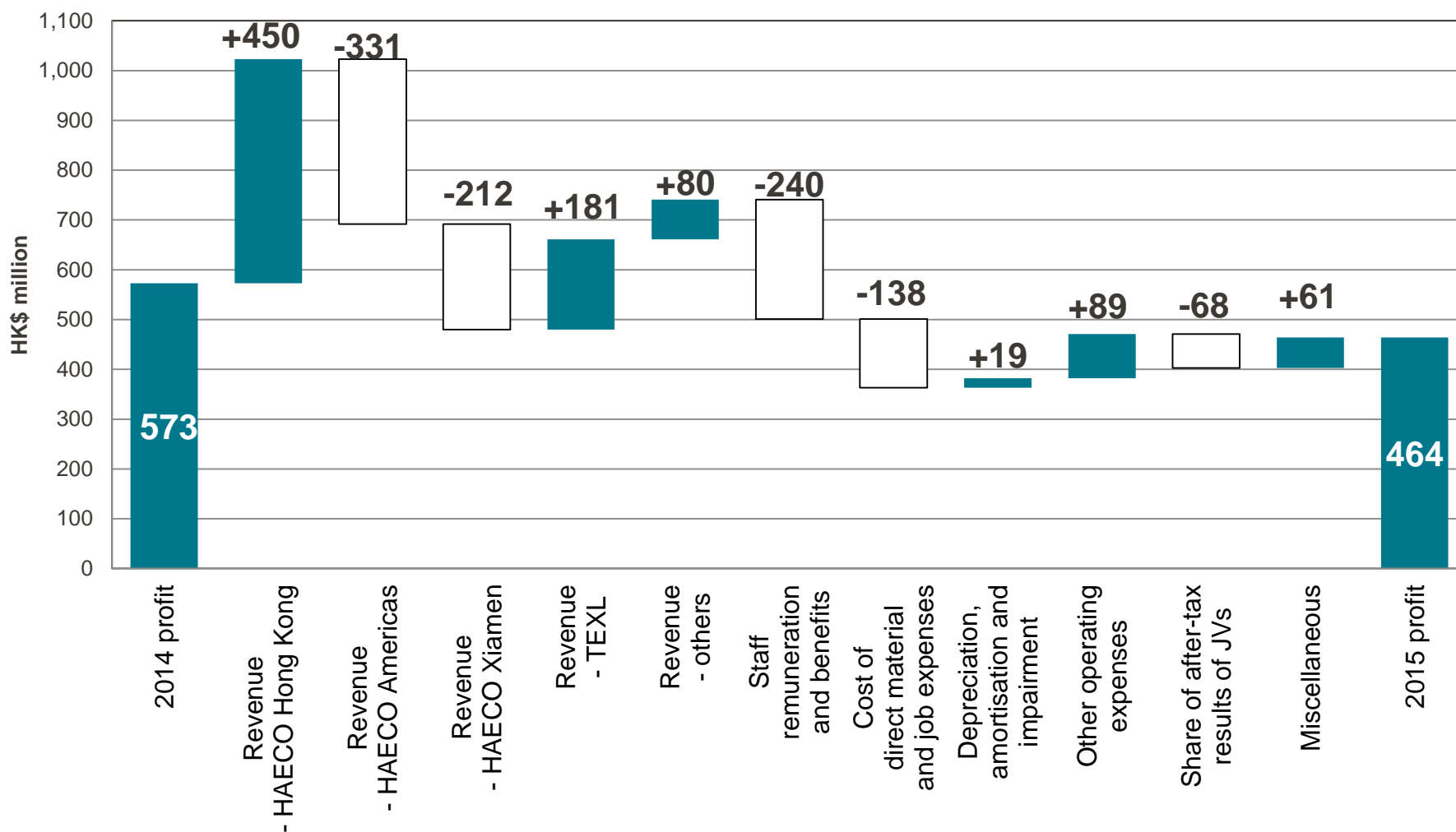
2015 Annual Results Analyst Briefing

8th March 2016

Financial Highlights

	2015	2014	Change
Attributable profit (HK\$M)	464	573	-19.0%
Revenue (HK\$M)	12,095	11,927	+1.4%
Earnings per share (HK\$)	2.79	3.45	-19.0%
Total dividends per share (HK\$)	1.70	2.10	-19.0%
Net borrowings (HK\$M)	2,710	2,610	+3.8%
Total equity (HK\$M)	7,186	7,387	-2.7%
Gearing ratio	37.7%	35.3%	+2.4%pt

Movement of Profit Attributable to the Company's Shareholders

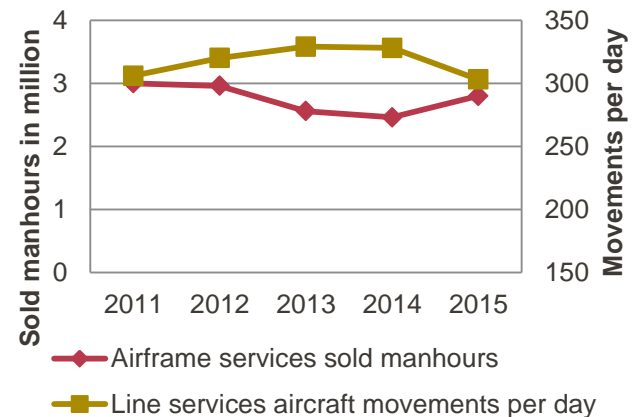
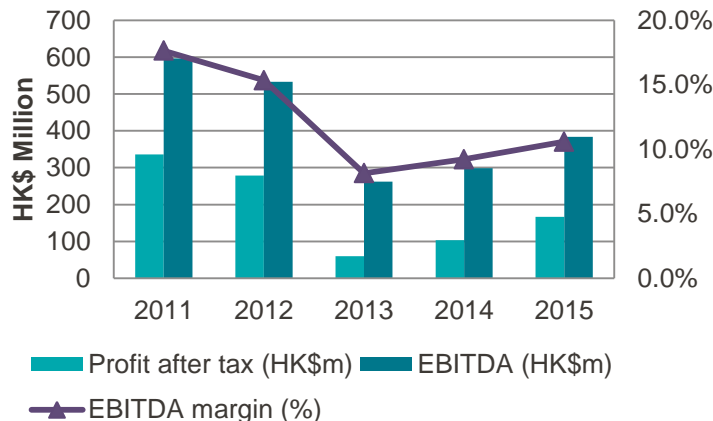


Profit Attributable to the Company's Shareholders

	2015 HK\$M	2014 HK\$M	Change
HAECO Hong Kong	167	103	+62.1%
HAECO Americas	(158)	(45)	-251.1%
HAECO Xiamen	69	89	-22.5%
TEXL	149	166	-10.2%
Share of:			
HAESL and SAESL	194	267	-27.3%
Other subsidiary and joint venture companies	43	(7)	+714.3%
	464	573	-19.0%

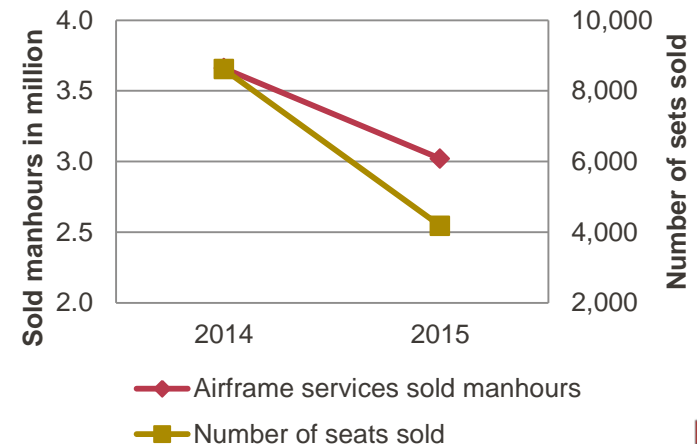
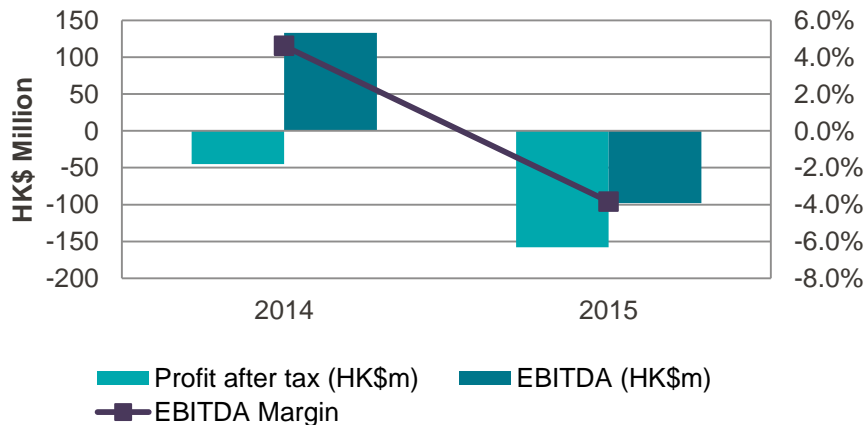
HAECO Hong Kong

- ➔ Profit increased by 62.1% to HK\$167M while revenue recorded a 14.2% increase to HK\$3,628M.
- ➔ Airframe services manhours sold increased from 2.46M in 2014 to 2.80M in 2015. This reflected continued good demand and an increase in staff numbers.
- ➔ Performance for the line services was good. Line services manhours sold increased because more work was done per movement despite a 7.6% decrease in aircraft movements handled to 303 per day.
- ➔ Manhours sold for components and avionics work, together with those sold by HAECO Component Overhaul (Xiamen), were 0.199M in 2015, a decrease of 11.6% compared to 2014. The decrease reflected the retirement of Boeing 747-400 aircraft.



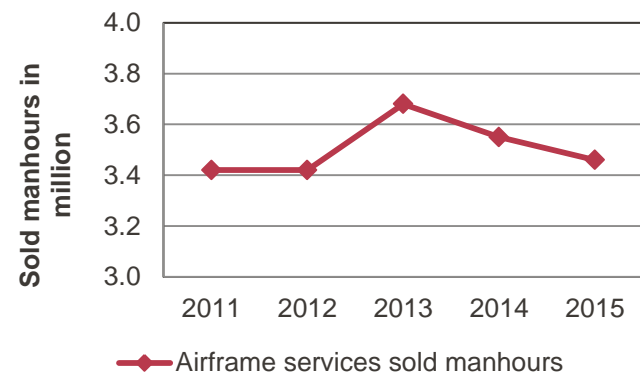
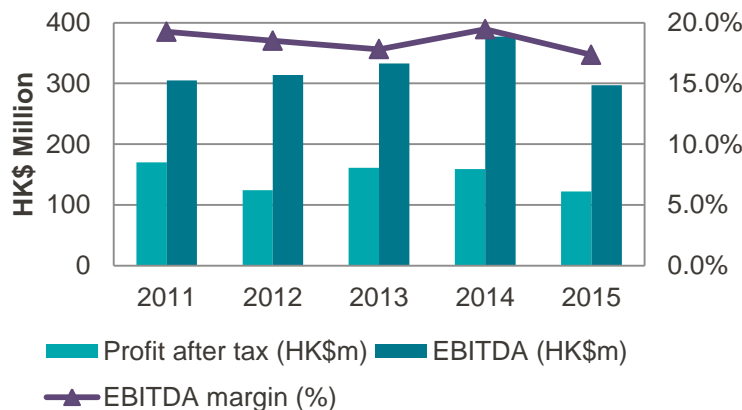
HAECO Americas

- A loss of HK\$158M was recorded for the full year of 2015 compared to a loss of HK\$45M in 2014, principally reflecting a decline in airframe services manhours sold.
- Demand for HAECO Americas' airframe services fell to 3.02M manhours sold in 2015 from 3.66M in 2014. The decrease was due to the completion of large, high work scope contracts and their replacement with smaller work scope contracts.
- HAECO Americas worked on 40 cabin integration programmes compared with 44 in 2014. Such reduction was partly compensated by more Panasonic Global Communication Suite kit work done in 2015.
- Fewer seats were sold (approximately 4,200 compared with 8,600 in 2014) since demand for HAECO Americas' old seats declined and the replacement seats were not yet in commercial production.



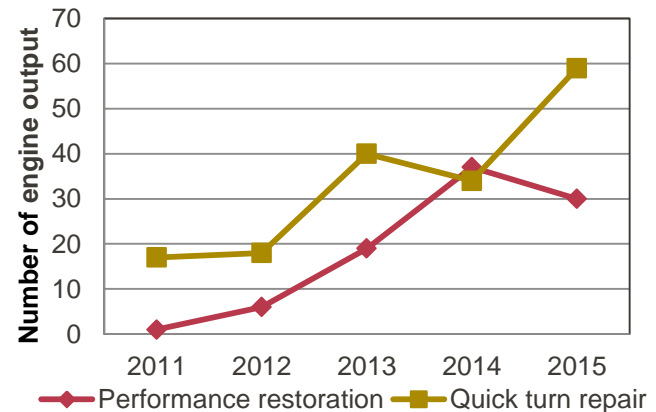
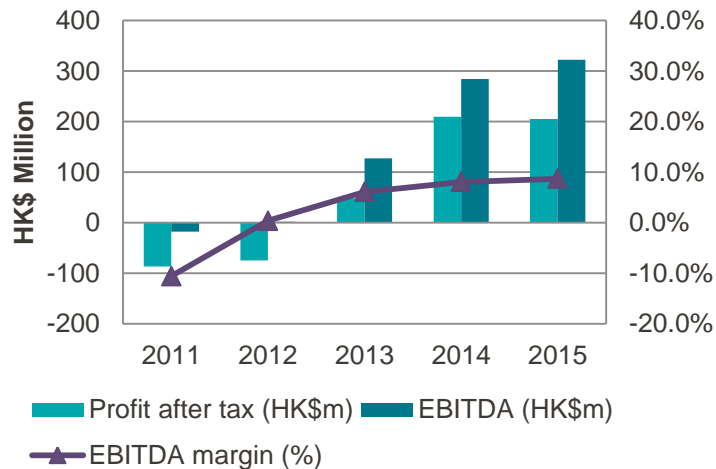
HAECO Xiamen

- The Group's share of profit from HAECO Xiamen recorded a 22.5% decrease compared with 2014. Fewer airframe services manhours were sold in 2015 and there was very little private jet work.
- Airframe services manhours sold in 2015 were 3.46 million, 2.5% less than in 2014. There was less demand, particularly for heavy maintenance work.
- Revenue and profit from private jet work decreased significantly in 2015.
- HAECO Xiamen handled an average of 46 line services aircraft movements per day in 2015, 12.2% more than in 2014.



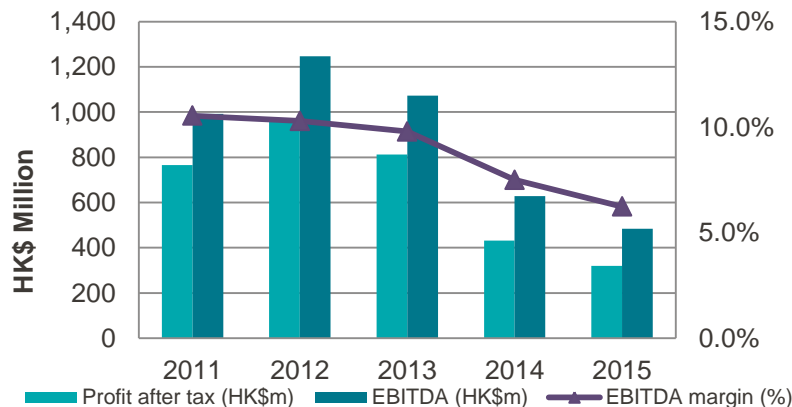
TEXL

- The profit before tax was HK\$244M (on 100% level) in 2015, representing a 19.0% growth from 2014 as a result of more quick turn repair work. However, the Group's share of its profit reduced by 10.2% to HK\$149M in 2015 as it no longer had tax losses to utilise.
- TEXL completed 59 quick turn repairs and 30 performance restorations, compared to 34 quick turn repairs and 37 performance restorations in 2014.

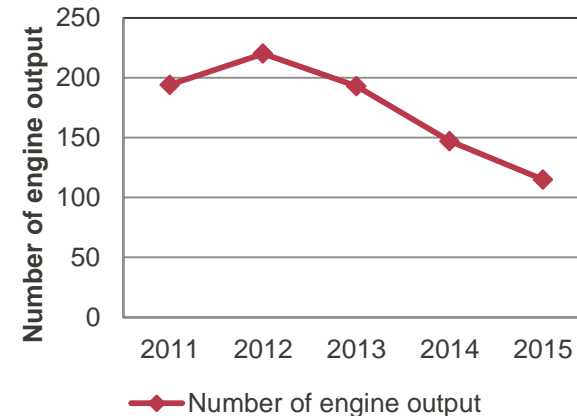


HAESL

- The Group's share of HAESL profit, including that derived from HAESL's interest in SAESL, decreased 27.3% to HK\$194M, reflecting fewer engines overhauled.
- HAESL recorded a 25.8% decrease in profit in 2015. Engine output was 115 in 2015 compared with 147 in 2014. This reflected the retirement of aircraft operating Trent 500 engines and a reduction in the frequency of scheduled maintenance of Trent 700 engines.
- The disposal of interest in SAESL and acquisition of additional interest in HAESL is expected to be completed at the end of April.



Remark: The above figures do not include any share of after-tax results of SAESL.



Other Subsidiary and Joint Venture Companies

- HAECO ITM recorded a growth in profit reflecting a higher utilisation of rotatable parts as operations expanded. The total number of aircraft for which services were provided in 2015 was 259, slightly more than in 2014.
- HAECO Landing Gear Services reported a slightly smaller loss in 2015 than in 2014. More work was done in 2015 than in 2014 but better operating results were largely offset by unrealised foreign exchange losses on loans.
- HAECO Component Overhaul (Xiamen) made a smaller loss in 2015 than in 2014. The volume of work increased.
- HAECO Shanghai's average number of aircraft movements handled per day was 41 in 2015, 16.3% lower than in 2014. This reflected the expiry of contracts. Profits fell.
- HAECO Line Services (Singapore) recorded a profit in 2015, compared to breakeven in 2014. Staff costs were lower.
- HAECO Private Jet Solutions (San Antonio) made a smaller loss in 2015 than in 2014.

Other Subsidiary and Joint Venture Companies

- Goodrich Asia-Pacific's profit decreased significantly, despite a growth in sales, in 2015. This reflected higher rents and one off workshop relocation costs.
- HAECO Spirit AeroSystems' profit increased significantly in 2015. It did more work and recognised a deferred tax asset arising from unutilised tax losses.
- Dunlop Taikoo's gross profit increased in 2015, but it made a loss because of a higher foreign exchange loss.
- Goodrich TAECO 's pretax profit was similar in 2015 to that in 2014. Its after tax profit increased because of a tax refund.
- Honeywell TAECO made a profit in 2015 because of higher sales.
- STAECO's profits decreased significantly in 2015. Keen competition meant less airframe services work.

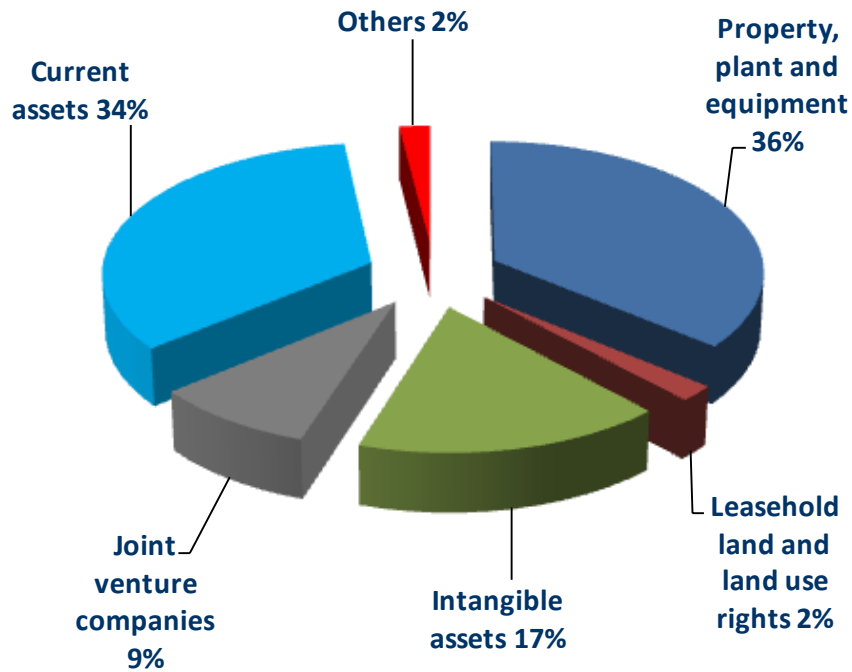
Key Operating Drivers

	2015	2014	Change
Airframe services sold manhours (in millions)			
HAECO Hong Kong	2.80	2.46	+13.8%
HAECO Americas	3.02	3.66	-17.5%
HAECO Xiamen	3.46	3.55	-2.5%
Total	9.28	9.67	-4.0%
Line services aircraft movements (per day)			
HAECO Hong Kong	303	328	-7.6%
HAECO Xiamen	46	41	+12.2%
HAECO Shanghai	41	49	-16.3%
Engine output			
TEXL - performance restoration	30	37	-18.9%
TEXL - quick turn repair	59	34	+73.5%
HAESL	115	147	-21.8%

Total Assets

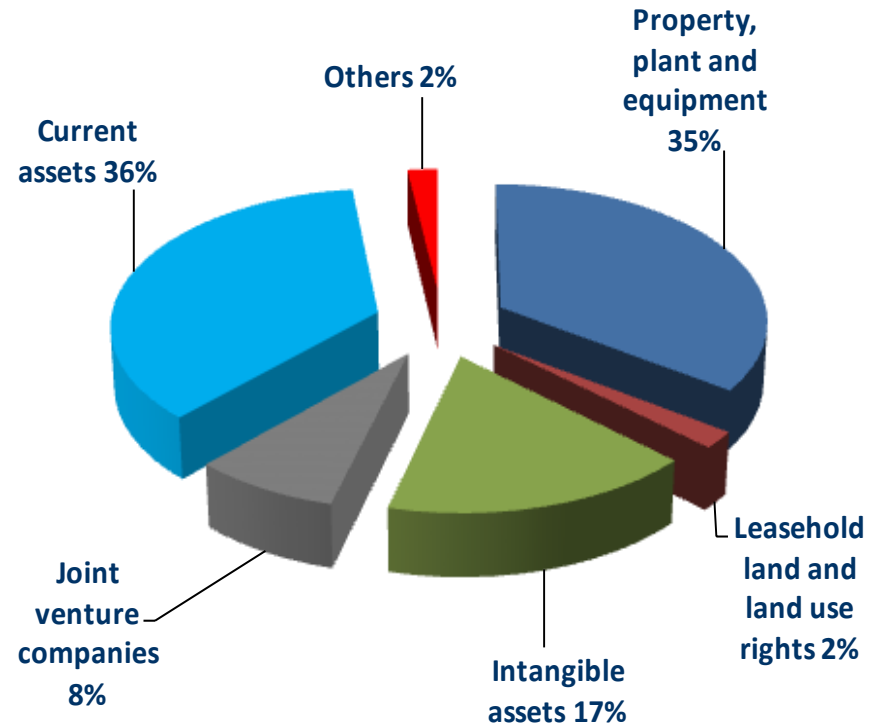


31st Dec 2015



HK\$14,672M

31st Dec 2014



HK\$15,044M

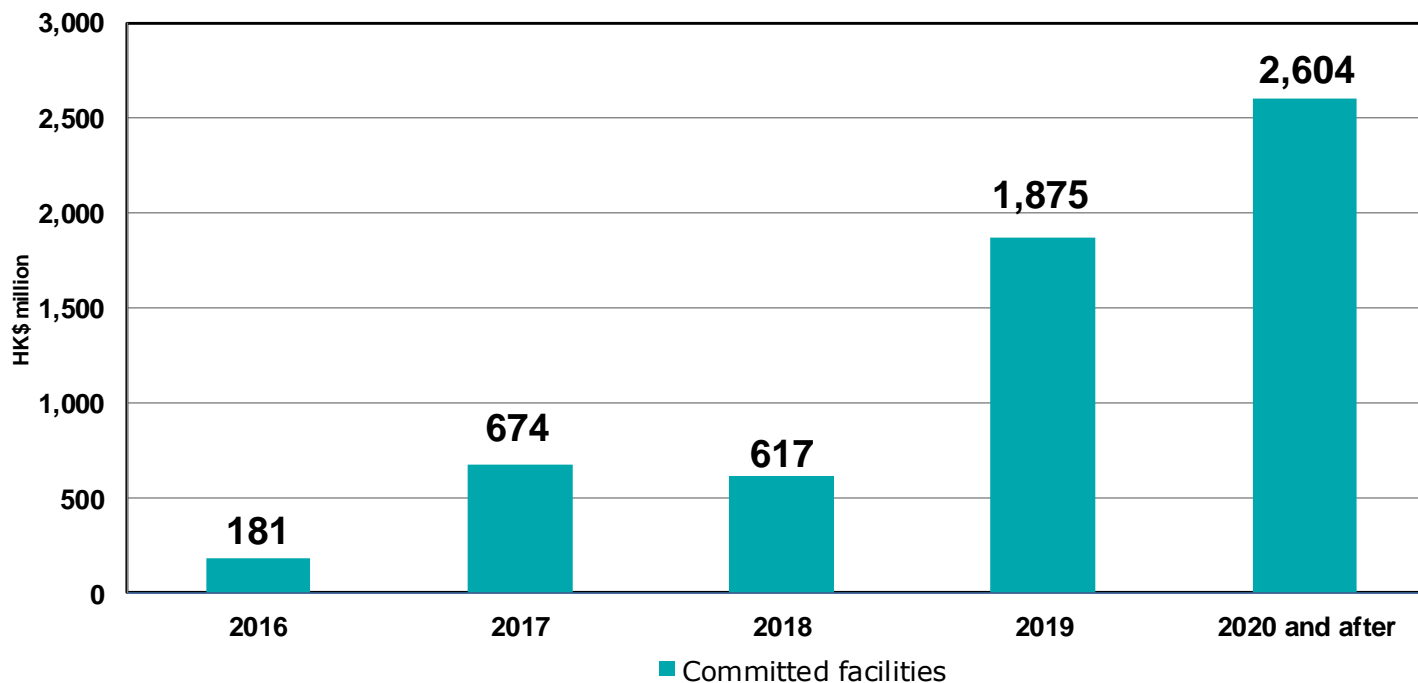
Net Borrowings Movement

	HK\$M	HK\$M
Net borrowings at 1st Jan 2015		(2,610)
Net cash inflow from operating activities		696
Dividends received		185
Dividends paid		(390)
Net capex		
- Net investment in ITM rotatable spares	(159)	
- Other property, plant and equipment	(448)	(607)
Advance from a related party		77
Other movements		(61)
Net borrowings at 31st Dec 2015		(2,710)

Liquidity

	31st Dec 2014 HK\$M	31st Dec 2015 HK\$M	Change %
Bank balances and short-term deposits	2,331	1,427	-39%
Total undrawn facilities:			
- Committed	1,198	1,766	47%
- Uncommitted	1,570	1,930	23%

Refinancing Profile at 31st December 2015



Prospects

- The prospects for the Group's different businesses in 2016 are mixed.
- HAECO Hong Kong's airframe services capacity is expected to grow in 2016, with more staff being hired. Training them will increase costs in the short term. Further growth in capacity will be constrained by lack of hangar space. Demand for line services in Hong Kong in 2016 is expected to remain strong.
- Demand for HAECO Americas' airframe services is expected to remain similar to that of 2015. It will start to deliver new Vector seats this year. The cabin integration order book is strong.
- HAECO Xiamen expects to do less airframe services work in 2016 than in 2015.
- Demand for TEXL's overhaul services is expected to remain firm in 2016.
- HAESL is expected do less work per engine in 2016.



THANK YOU
