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**中航興業有限公司**

CHINA NATIONAL AVIATION COMPANY LIMITED

*(incorporated in Hong Kong with limited liability)*

*(the “Company”)*

## **ANNOUNCEMENT**

The board of directors of the Company (the “Board”) announces that the interim results of the Company for the first half-year of 2003 may be significantly affected by the decline in air-travel passenger demand caused by the recent outbreak of atypical pneumonia in Hong Kong and the Far East regions.

This announcement is made pursuant to paragraph 2 of the Listing Agreement.

The Board announces that the interim results of the Company for the first half-year of 2003 may be significantly affected by the decline in air-travel passenger demand caused by the recent outbreak of atypical pneumonia in Hong Kong and the Far East regions.

Since the middle of March this year, there has been a significant drop in both passengers carried and flight frequencies in most of the routes of the Company’s subsidiary company, Air Macau and associated company, Dragonair, as compared to the same period last year. Whilst the cargo businesses of both carriers remain normal, their freighter services remain mostly unaffected.

Keeping abreast of the current situation, the Board has taken necessary actions to reduce scheduled capacity, tighten spending and exercise a prudent cash conservation.

At this stage, conditions are extremely volatile. The Board considers it too early to ascertain the overall impact on the financial position of the Company.

*Shareholders of the Company and investors should exercise caution when dealing the shares of the Company.*

By Order of the Board  
**Li Man Kit**  
*Company Secretary*

Hong Kong, 15th April 2003

“Please also refer to the published version of this announcement in *The Standard*”.