

ERNST & YOUNG

安永會計師事務所

To the members
CATIC International Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 40 to 142 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981 (as amended), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致中國航空技術國際控股有限公司
 全體股東
 (於百慕達註冊成立之有限公司)

吾等已審核第40至142頁所載根據香港一般採用之會計原則編製之財務報告。

董事及核數師各自之責任

貴公司的董事須負責編製真實與公平的財務報告。在編製該等財務報告時，董事必須貫徹採用合適的會計政策。吾等的責任乃根據吾等審核工作的結果，對該等財務報告作出獨立意見，並根據百慕達一九八一年公司法（修訂本）第90段而僅向全體股東報告，不作任何其他用途。吾等概不就本報告之內容向任何其他人士承擔任何責任。

意見之依據

吾等根據香港會計師公會頒佈之核數準則進行審核。審核工作包括抽查財務報告有關款額及披露資料之憑據，亦包括評估董事在編製財務報告時所作之重要估計及判斷和所選用之會計政策是否適合貴公司及貴集團之情況，貫徹應用及作出充足披露。



We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong
6 April 2004

為使吾等有足夠證據可合理保證該等財務報告並無重大錯誤陳述，吾等已籌備及作出審核工作，以便取得吾等認為必需之所有資料及說明。在作出吾等之意見時，吾等亦有評估財務報告所呈報之資料是否全面足夠。吾等相信，吾等之審核為吾等所作之意見提供合理之依據。

意見

吾等認為，上述財務報告真實公平地顯示 貴公司及 貴集團於二零零三年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流動情況，並根據香港公司條例中有關資料披露之規定而適當編製。

安永會計師事務所

執業會計師

香港
二零零四年四月六日