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中航興業有限公司

CHINA NATIONAL AVIATION COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 1110)

ANNOUNCEMENT PURSUANT TO RULE 13.16 OF THE LISTING RULES

Financial assistance given to, and guarantees given for facilities granted to, affiliated companies by China National Aviation Company Limited ("the Company") and/or its subsidiaries (together with the Company, the "Group") as at 31 December 2004 in aggregate exceed 8% of the total assets of the Company as at 31 December 2004. In accordance with the requirement under Rule 13.16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Directors of the Company announce the details of such financial assistance and guarantees.

Details of the financial assistance given to, and guarantees given for facilities granted to, affiliated companies by the Group as at 31 December 2004 were as follows:

Affiliated Company	Group's Attributable Interest	Advances HK\$'000	Interest Rate	Committed Capital Injection HK\$'000	Guarantees Given			Notes
					Facility Granted HK\$'000	Maturity Date mth/yr	of which Utilised HK\$'000	
Jardine Airport Services Limited	50.00%	34,560	—	—	—	—	—	1,4
Macau Aircraft Repair and Conversion Company Limited	25.05%	446	Prime+2%	—	—	—	—	2,4
Tradeport Hong Kong Limited	25.00%	47,097	—	—	15,000	03/2014	15,000	1,4
		—	—	—	312,000	—	—	3
		<u>82,103</u>		<u>—</u>	<u>327,000</u>		<u>15,000</u>	

Notes:

- The advances are interest free, unsecured and are repayable on demand.
- The advances are unsecured and are repayable on demand.
- In February 2001, the Company together with Tradeport Hong Kong Limited's consortium partners jointly gave a guarantee to Airport Authority Hong Kong in respect of their obligations to provide sufficient funding for the development of the Tradeport Hong Kong Limited's Logistics Centre. As at 31 December 2004, the maximum liability limit was approximately HK\$312 million and the Company's estimated share of the guarantee was approximately HK\$78 million. However, in the event of default of all other consortium partners, the Company's maximum amount of the contingent liabilities assumed would have been approximately HK\$312 million.
- Each of the above companies is treated as an associated company of the Group, and hence, the financial results and positions in respect of each of the companies are equity accounted for in the consolidated accounts of the Company.

The total amount of financial assistance given to, and guarantees given for facilities granted to, the affiliated companies by the Group as at 31 December 2004 together in aggregate represented approximately 10.82% of the Group's total assets as at 31 December 2004. No further material financial assistance or guarantees have been provided to the affiliated companies up to 31 December 2004. The Company will ensure compliance with Rule 13.16 of the Listing Rules if the Group provides any other financial assistance or guarantees to the affiliated companies that will trigger the disclosure obligation under Rule 13.16 of the Listing Rules.

The Company will fulfill the continuing disclosure obligation under rule 13.22 of the Listing Rules in subsequent interim and annual reports.

By Order of the Board
Kong Dong
Chairman

Hong Kong, 25 April 2005

As at the date of this announcement, the executive Directors are Messrs. Kong Dong, Chuang Shih Ping, Zhang Xianlin, Tsang Hing Kwong, Thomas, Gu Tiefei and Zhao Xiaohang and the independent non-executive Directors are Messrs. Lok Kung Nam, Hu Hung Lick, Henry, Ho Tsu Kwok, Charles, Li Kwok Heem, John and Chan Ching Har, Eliza.

"Please also refer to the published version of this announcement in The Standard."