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中國國際航空股份有限公司

AIR CHINA LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00753)

**ANNOUNCEMENT ON THE
MIXED-OWNERSHIP REFORM IN AIR FREIGHT LOGISTICS
BY THE CONTROLLING SHAREHOLDER CNAHC**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Air China Limited (the “**Company**”) hereby announces that the Company was recently informed by its controlling shareholder, China National Aviation Holding Company (“**CNAHC**”) that the National Development and Reform Commission had approved CNAHC to carry out the mixed-ownership reform in air freight logistics.

CNAHC will start to push forward the mixed-ownership reform in air freight logistics. The Company and some of its subordinated companies are engaged in the operation of air freight logistics business, thus implementation of the mixed-ownership reform may involve the Company and the aforesaid subordinated companies.

As at the date of this announcement, it is learned that CNAHC has not formulated any enforceable and specific implementation plan for the mixed-ownership reform and has not reached any form of agreement or arrangement with any person. The Company does not obtain any information that should be disclosed but has not been disclosed. The Company will actively take part in the mixed-ownership reform and perform the relevant procedures and disclose in a timely manner in accordance with relevant regulations.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Air China Limited
Rao Xinyu Tam Shuit Mui
Joint Company Secretaries

Beijing, the PRC, 21 April 2017

As at the date of this announcement, the directors of the Company are Mr. Cai Jianjiang, Mr. Song Zhiyong, Mr. Cao Jianxiong, Mr. Feng Gang, Mr. John Robert Slosar, Mr. Ian Sai Cheung Shiu, Mr. Pan Xiaojiang, Mr. Simon To Chi Keung*, Mr. Stanley Hui Hon-chung* and Mr. Li Dajin*.*

** Independent non-executive director of the Company*