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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)

(1) PROPOSED NON-PUBLIC ISSUE OF A SHARES (REVISED)
AND
(2) CONNECTED TRANSACTION: SUBSCRIPTION OF
NEW A SHARES BY CNAHC

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

Opus | Capital Limited
創富融資有限公司

Reference is made to the announcement of the Company dated 28 July 2015 in relation to, among other things, the proposed non-public A Share issue (the "Original Announcement"). This announcement should be read together with the Original Announcement.

Having considered the operation of the Company and the considerable changes in the current market conditions, the Board approved the new Non-public A Share Issue and the new Share Subscription Agreement entered into between CNAHC and the Company on 11 December 2015 at the Board meeting of the Company held on 11 December 2015, which supersede the original non-public A Share issue and the original share subscription agreement entered into between CNAHC and the Company on 27 July 2015, respectively as set out in the Original Announcement.

PROPOSED NON-PUBLIC A SHARE ISSUE (REVISED)

At the Board meeting of the Company held on 11 December 2015, the Board approved the proposed issuance of not more than 1,520,912,547 new A Shares to CNAHC and the Investors at the Issue Price. Gross proceeds to be raised from the proposed Non-public A Share Issue will not be more than RMB12,000 million.

SHARE SUBSCRIPTION AGREEMENT

On 11 December 2015, CNAHC entered into the new Share Subscription Agreement with the Company, pursuant to which, CNAHC will commit no more than RMB4,000 million in cash to subscribe for not more than 506,970,849 A Shares to be issued under the proposed Non-public A Share Issue at the Issue Price.

LISTING RULES IMPLICATIONS

Since CNAHC is the controlling shareholder of the Company, and hence a connected person of the Company, CNAHC A Share Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the announcement, reporting and independent shareholders' approval requirements. An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Share Subscription Agreement. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

According to the relevant requirements of Chapter 19A of the Listing Rules, the Company will proceed with the Non-public A Share Issue after obtaining approvals from the Independent Shareholders at the EGM by way of special resolution and from the A Shareholders at the A Shareholders' Class Meeting and from the H Shareholders at the H Shareholders' Class Meeting to be convened in accordance with the Articles of Association by way of special resolutions.

A circular containing, among other things, details of the Non-public A Share Issue is expected to be despatched to the Shareholders on or before 5 January 2016.

The Company advises its Shareholders and potential investors that the proposed Non-public A Share Issue is subject to certain conditions being satisfied, and consequently the proposed Non-public A Share Issue may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the Original Announcement. This announcement should be read together with the Original Announcement.

A. PROPOSED NON-PUBLIC A SHARE ISSUE (REVISED)

1. General

Having considered the operation of the Company and the considerable changes in the current market conditions, the Board approved the new Non-public A Share Issue, adjusting, among others, the issue price and number of shares to be issued at the Board meeting of the Company held on 11 December 2015. Details of the Non-Public A Share Issue are set out in this announcement.

Accordingly, on 11 December 2015, CNAHC entered into the Share Subscription Agreement with the Company, pursuant to which, CNAHC will commit no more than RMB4,000 million in cash to subscribe for not more than 506,970,849 new A Shares at the Issue Price. The share subscription agreement entered into between CNAHC and the Company on 27 July 2015 has been terminated.

2. Structure of the Non-public A Share Issue

Class of shares to be issued and the nominal value:	A Shares with a par value of RMB1.00 each
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Subscribers:	The new A shares under the Non-public A Share Issue is proposed to be issued to not more than 10 Investors (including CNAHC). The Investors will be securities investment fund management companies, securities companies, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors, other domestic legal person investors and natural persons that meet the requirements of the CSRC.
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After the Company obtains the approval in respect of the Non-public A Share Issue from the CSRC, it will determine the Investors based on the subscription levels and price quoted by potential Investors, following the price priority principle.

CNAHC will remain as the controlling shareholder of the Company after the subscription of new A Shares under the Non-public A Share Issue by CNAHC and the Investors.

As at the date of this announcement, the Company has not entered into any agreements with any Investor in connection with the Non-public A Share Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the potential Investors and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. It is expected that each of the Investors and their ultimate beneficial owners, upon subscription of the new A Shares under the Non-public A Share Issue, will remain an independent third party of the Company. The Company will use its best efforts to ensure that the Investors and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Number of A Shares to be issued:	The number of A Shares to be issued under the Non-public A Share Issue will not be more than 1,520,912,547 A Shares (including A Shares to be subscribed by CNAHC under the CNAHC A Share Subscription), which is subject to adjustment to the Issue Price as set forth in the paragraph "Basis for determining the Issue Price" below if there is any <i>ex-rights</i> or <i>ex-dividend</i> arrangement from the Pricing Benchmark Date to the date of issuance. Within the range of the issuance mentioned above, the ultimate number of A Shares to be issued will be determined by the Board and its authorised person(s) in accordance with the authorisation granted by the Shareholders at the EGM and the market conditions after consultation with the lead underwriter of the Non-public A Share Issue.
Method of issue:	Non-public offering. The new A Shares will be issued within 6 months after the Company obtains the relevant approval from the CSRC.
Basis for determining the Issue Price:	The Issue Price of new A Shares shall be not less than RMB7.89 per A Share. The Issue Price is determined with reference to a benchmark price, which is 90% of the average trading price of the A Shares during the 20 trading days preceding the Pricing Benchmark Date, which is RMB7.89 per A Share. The Issue Price so determined is in accordance with the requirements under the Implementation Rules for Non-public Issue of Shares by Listed Companies (《上市公司非公開發行股票實施細則》).

After obtaining the relevant approval from the CSRC, the final Issue Price will be determined by the Board and its authorised person(s) in accordance with the authorisation granted by the Shareholders at the EGM, and the subscription levels and price quoted by potential Investors based on the price priority principle after consultation with the lead underwriter for the Non-public A Share Issue. CNAHC will not take part in the bidding in the bookbuilding under the Non-public A Share Issue and will make subscription at the same price as the other subscribers. The Issue Price will be adjusted accordingly if there is any *ex-rights* or *ex-dividend* arrangement from the Pricing Benchmark Date to the date of issuance.

The Issue Price shall be paid in cash.

Assuming the Issue Price is fixed at RMB7.89 per A Share, it represents: (i) a discount of approximately 2.71% of the closing price of RMB8.11 per A Share immediately prior to the Pricing Benchmark Date; and (ii) a discount of approximately 5.30% of the average closing price of RMB8.332 per A Share for the last five trading days immediately prior to the Pricing Benchmark Date.

The net price to the Company of each new A Share to be issued will be determined and disclosed upon completion of the Non-public A Share Issue and the determination of relevant expenses incurred or to be incurred in relation to the Non-public A Share Issue in accordance with the requirements of the Listing Rules.

Rights attached to the new A Shares:

The new A Shares to be issued pursuant to the Non-public A Share Issue will rank *pari passu* with the existing A Shares and H Shares in all respects.

Conditions for the Non-public A Share Issue:

The Non-public A Share Issue is subject to:

- (1) the approvals by the Shareholders at the EGM and the Class Meetings, respectively; and
- (2) the approval by the SASAC and the CSRC, etc.

Gross Proceeds from the Non-public A Share Issue: Gross proceeds to be raised from the Non-public A Share Issue will be not more than RMB12,000 million before deduction of the fees and expenses relating to the Non-public A Share Issue.

Use of proceeds: Proceeds to be raised from the Non-public A Share Issue are intended to be used in the following ways:

No.	Name of Project	Proceeds to be utilised <i>(RMB in million)</i>
1	Purchase of 15 Boeing B787 aircraft (including supplemental in-cabin facilities such as seats)	7,450
2	Upgrade of e-commerce direct sale project	800
3	On-board WIFI (first phase) project	150
4	Replenish working capital	3,600
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	Total	12,000
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Purchase of 15 Boeing B787 aircraft (including supplemental in-cabin facilities such as seats)

Based on the relevant agreement between the Company and The Boeing Company, it is expected that the Company would take delivery of 7, 6 and 2 Boeing B787 aircraft in 2016, 2017 and 2018, respectively. The 15 Boeing B787 aircraft would be equipped with seats and other facilities that are designed to enhance passenger experience. The basic price of each of the 15 Boeing B787 aircraft to be purchased by the Company from The Boeing Company is US\$257 million, equivalent to approximately RMB24,000 million for the 15 Boeing B787 aircraft in aggregate. The Company plans to use RMB7,450 million from the proceeds of the Non-public A Share Issue for the payment of part of the total consideration to The Boeing Company for the 15 Boeing B787 aircraft. The Company plans to deploy the 15 Boeing B787 aircraft to routes originating from its Beijing hub to enhance its coverage and frequency of flights to North America and Europe.

Upgrade of e-commerce direct sale project

The Company plans to use RMB800 million from the proceeds of the Non-public A Share Issue to upgrade its flight tickets e-commerce direct sale platform so to increase the proportion of direct sale of flight tickets and to cut down cost of sales, and to unify order data and user data on various e-commerce channels, including website, call centre and mobile phone applications to enable consistent user experience on various e-commerce channels. In the meantime, the integration of user information and order information is to be realised through the upgrade of e-commerce platform, laying down a technological foundation for the big data collection of passengers in the future.

On-board WIFI (first phase) project

The Company plans to develop its on-board WIFI project in two phases by first establishing the aircraft wireless network platform and then constructing air-ground integration system based on big data cloud computing. The Company plans to use RMB150 million from the proceeds of the Non-public A Share Issue to fund part of the total estimated costs of the first phase of its on-board WIFI project, which includes conducting the necessary retrofitting of its aircraft and developing related software platform.

The Company plans to achieve wireless network coverage on all of its long-haul wide-body jets within the next three years. As of the date of this announcement, the Company had completed the necessary retrofitting on 20 of its 90 long-haul wide-body jets. It is expected that the Company would spend approximately RMB123 million to complete the retrofitting of the remaining 70 long-haul wide-body jets, based on an estimated cost of retrofitting of approximately RMB1.75 million per aircraft. It is expected that the development of the related software platform will incur a cost of RMB35 million.

Replenish working capital

With the continued development of the Company's business and improvement of its results of operation, the scale of its indebtedness has been increasing in recent years. As at 30 September 2015, the current ratio and the quick ratio of the Company was 0.38 and 0.35, respectively. As at the same date, the Company's non-current liabilities due within one year was RMB12,867 million and its short-term loan was RMB7,787 million.

In addition, the operation of the Company as an airline demands a fairly large amount of working capital. The Company also expects to incur large capital expenditure on purchase of new aircraft for each of 2015, 2016 and 2017 and its demand for working capital will increase as a result of the expansion of its fleet.

Based on the above, the Company plans to use RMB3,600 million from the proceeds of the Non-public A Share Issue to optimise its financial structure, enhance its repayment capability of its short-term debts and to satisfy its increasing need for working capital.

If the actual proceeds to be raised from the Non-public A Share Issue are less than the aggregate amount of the proceeds proposed to be invested in the aforementioned projects, the Company will adjust and determine the specific investment amount to each project based on the net proceeds actually raised and the priority of each project, and will make up for the shortfall by utilising internal resources or through other financing methods.

Before the actual receipt of the proceeds to be raised from the Non-public A Share Issue, the Company will, depending on the actual situations of the progress of the projects, finance these projects by proceeds raised through other measures, which will be replaced once the proceeds from the Non-public A Share Issue have been received according to procedures required by relevant regulations.

Lock-up Arrangement:

The new A Shares to be subscribed for by the Investors shall not be disposed of within 12 months from the completion date of the issuance of such new A Shares.

Please refer to the paragraph headed “Lock-up arrangement” under “3. CNAHC A Share Subscription” below for details of the lock-up arrangement for CNAHC A Share Subscription.

Validity Period of the resolution:	The resolution with respect to the Non-public A Share Issue shall be valid for 12 months from the date of consideration and approval at the EGM and the Class Meetings.
Listing Application:	Application will be made by the Company to the Shanghai Stock Exchange for the granting of the listing of, and permission to deal in, all new A Shares to be issued pursuant to the Non-public A Share Issue.
Arrangement relating to the accumulated undistributed profits of the Company prior to the Non-public A Share Issue:	The new and existing Shareholders will share the accumulated undistributed profits of the Company prior to the Non-public A Share Issue.

3. CNAHC A Share Subscription

Parties:	(1) the Company as issuer; and (2) CNAHC as subscriber.
Date:	11 December 2015
Number of A Shares to be subscribed for:	CNAHC will commit no more than RMB4,000 million to subscribe for not more than 506,970,849 A Shares to be issued under the Non-public A Share Issue, which is subject to adjustment as a result of an adjustment to the Issue Price as set forth in the paragraph “Basis for determining the Issue Price” under “2. Structure of the Non-public A Share Issue” above if there is any <i>ex-rights</i> or <i>ex-dividend</i> arrangement from the Pricing Benchmark Date to the date of issuance.

Subscription price: The Issue Price of the new A Shares to be subscribed for by CNAHC shall be the same as the final Issue Price for the Investors to be determined by the Company in the manner as set forth in the paragraph “Basis for determining the Issue Price” under “2. Structure of the Non-public A Share Issue” above. The Company and CNAHC will execute a written confirmation in respect of the final Issue Price and the number of new A Shares to be issued to CNAHC under the CNAHC A Share Subscription once they are determined.

The subscription price will, pursuant to the terms of the Share Subscription Agreement, be paid in cash into the special savings account as designated by the lead underwriter when the Company issues the new A Shares to CNAHC after the Company obtains, among other things, the approval from the CSRC for the Non-public A Share Issue.

Conditions for the Share Subscription Agreement: The Share Subscription Agreement will take effect on the date when all of the following conditions are met:

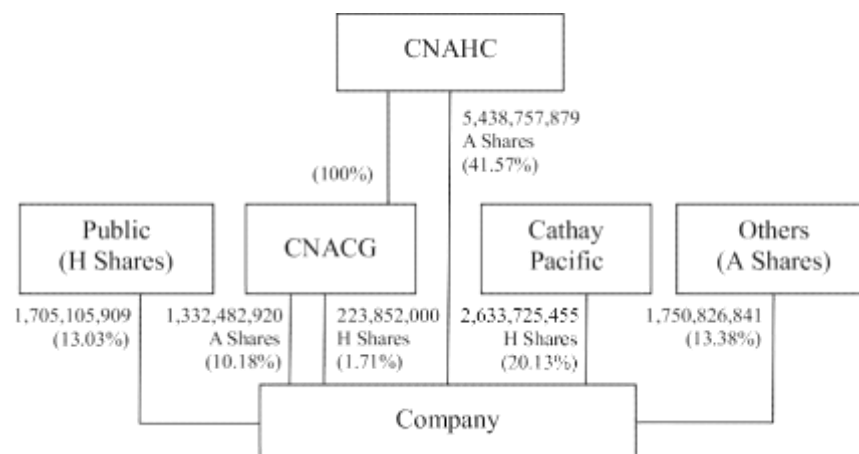
- (1) the Share Subscription Agreement is duly executed by both the Company and CNAHC;
- (2) the approvals from the Independent Shareholders by way of special resolutions of the Non-public A Share Issue at both the EGM and the Class Meetings are obtained;
- (3) the approvals from the Independent Shareholders by way of special resolutions of the Share Subscription Agreement at both the EGM and the Class Meetings are obtained; and
- (4) all necessary approvals, consents from the relevant governmental and regulatory authorities, including but not limited to the approvals from the SASAC and the CSRC, in relation to the Non-public A Share Issue are obtained.

Lock-up Arrangement: Pursuant to the relevant rules of the CSRC, the new A Shares to be subscribed for by CNAHC shall not be disposed of within 36 months from the completion date of the issuance of such new A Shares.

4. Effects of the Non-public A Share Issue on the Shareholding Structure of the Company

For illustration purpose only, set out below are the implication of the Non-public A Share Issue on the shareholding structure of the Company.

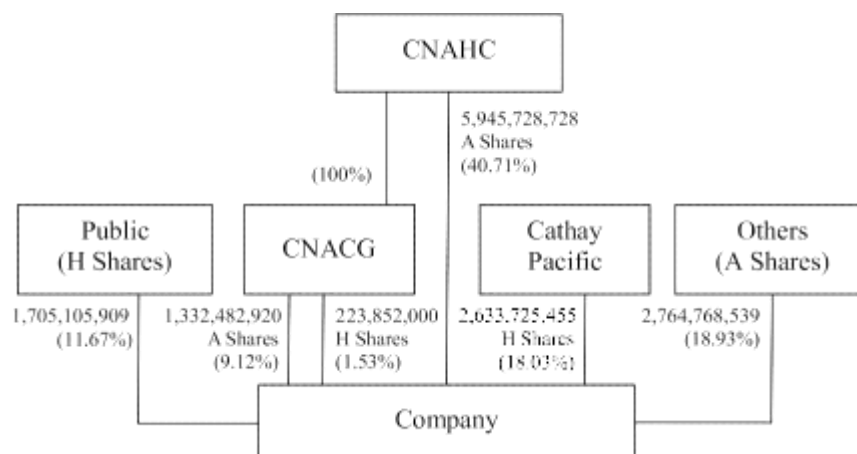
4.1 As at the date of this announcement, the shareholding structure of the Company is as follows:



Shareholder	Number of Shares held	Percentage of the total issued share capital of the Company
A Shareholders	8,522,067,640	65.13%
H Shareholders	4,562,683,364	34.87%
Total	13,084,751,004	100.00%

Note: The percentages shown are rounded to the nearest 2 decimal places.

4.2 Immediately following the completion of the Non-public A Share Issue, assuming that (i) CNAHC has subscribed for 506,970,849 new A Shares; (ii) the Investors (which are all independent third parties of the Company after subscription of A Shares under the Non-public A Share Issue) have in aggregate subscribed for 1,013,941,698 new A Shares; and (iii) no additional Shares will be issued after the date of this announcement until the completion of the Non-public A Share Issue, it is anticipated that the shareholding structure of the Company will be as follows:



Shareholder	Number of Shares held	Percentage of the total issued share capital of the Company
A Shareholders	10,042,980,187	68.76%
H Shareholders	4,562,683,364	31.24%
Total	14,605,663,551	100.00%

Note: The percentages shown are rounded to the nearest 2 decimal places.

5. Listing Rules Implications

CNAHC A Share Subscription

As at the date of this announcement, CNAHC directly holds 5,438,757,879 A Shares in the Company, representing 41.57% of the existing issued share capital of the Company. As at the date of this announcement, CNACG holds 1,332,482,920 A Shares and 223,852,000 H Shares in the Company, representing 10.18% and 1.71% of the existing issued share capital of the Company, respectively. CNACG is a wholly-owned subsidiary of CNAHC. CNAHC, by itself and through CNACG, owns in aggregate 53.46% of the existing issued share capital of the Company.

Since CNAHC is the controlling shareholder of the Company, and hence a connected person of the Company, CNAHC A Share Subscription constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the announcement, reporting and independent shareholders' approval requirements. An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Share Subscription Agreement. Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

Non-public A Share Issue

The new A Shares under the Non-public A Share Issue will be issued pursuant to a specific mandate to be sought from the Shareholders at the EGM and the Class meetings. According to the relevant requirements of Chapter 19A of the Listing Rules, the Company will proceed with the Non-public A Share Issue after obtaining approvals from the Independent Shareholders at the EGM by way of special resolution and from the A Shareholders at the A Shareholders' Class Meeting and from the H Shareholders at the H Shareholders' Class Meeting to be convened in accordance with the Articles of Association by way of special resolutions. The notices of the EGM and the H Shareholders' Class Meeting have been despatched to the Shareholders on 11 December 2015.

CNAHC, being a subscriber under the Non-public A Share Issue, has a material interest in the Non-public A Share Issue. CNAHC and its close associates (including CNACG) shall therefore abstain from voting on the resolutions at the EGM and the Class Meetings approving the Non-public A Share Issue.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the issue of new A Shares under the Non-public A Share Issue and the Share Subscription Agreement are fair and reasonable, normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

Mr. Cai Jianjiang, Ms. Wang Yinxiang, Mr. Cao Jianxiong and Mr. Feng Gang are considered to have a material interest in CNAHC A Share Subscription and therefore have abstained from voting on the relevant Board resolutions approving the Shares Subscription Agreement and the Non-public A Share Issue. Save as mentioned above, none of the other Directors has a material interest in CNAHC A Share Subscription and the Non-public A Share Issue and hence no other Director has abstained from voting on such Board resolutions.

6. Reasons for and benefit of the proposed Non-public A Share Issue

The Non-public A Share Issue will help the Company enhance the capital structure and improve its financial condition, satisfy the capital needs of its business development, maintain its competitive advantage and ensure its sustainable and sound development. The Non-public A Share Issue can also raise funds for the Company to finance its purchase of 15 Boeing B787 aircraft, upgrade of e-commerce direct sale project and its on-board WIFI project.

7. Fund raising activities in the past twelve months

The Company has not conducted any equity fund raising activities during the twelve months immediately before the date of this announcement.

B. SHAREHOLDERS' CIRCULAR

Reference is made to the Original Announcement, the announcements of the Company on the delay in despatch of circular in relation to the non-public A share issue dated 17 August 2015, 31 August 2015, 15 October 2015 and 13 November 2015, respectively. The Company expected to despatch a circular containing, among other things, details of the non-public A share issue, the share subscription agreement entered into between the Company and CNAHC on 27 July 2015, and other relevant information, on or before 16 December 2015. Given that the Board has approved the Non-Public A Share Issue at the Board meeting of the Company held on 11 December 2015, which had amended and superseded the original issuance plan as set out in the Original Announcement, the Company will therefore only despatch a circular in relation to the Non-public A Share Issue, the Share Subscription Agreement and relevant matters as referred to in this announcement.

A circular containing, among other things, further details of: (i) the proposed Non-public A Share Issue; (ii) the recommendation of the Independent Board Committee in respect of the Share Subscription Agreement; and (iii) a letter from Opus Capital Limited to the Independent Board Committee and the Independent Shareholders containing its advice on the Share Subscription Agreement is expected to be issued by the Company and despatched to the Shareholders on or before 5 January 2016.

The Company advises its Shareholders and potential investors that the proposed Non-public A Share Issue and the CNAHC A Share Subscription are subject to certain conditions being satisfied, and consequently the proposed Non-public A Share Issue and the CNAHC A Share Subscription may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“A Shareholders”	holders of A Shares
“A Shareholders’ Class Meeting”	the class meeting of the A Shareholders to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public A Share Issue on 26 January 2016
“A Share(s)”	the ordinary shares issued by the Company, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“CNACG”	China National Aviation Corporation (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of CNAHC and a substantial shareholder of the Company, which directly holds approximately 11.89% of the Company’s

“CNAHC”	China National Aviation Holding Company, a wholly PRC state- owned enterprise and the controlling shareholder of the Company, which directly and indirectly holds an aggregate of approximately 53.46% of the Company’s issued share capital as at the date of this announcement and whose principal business is to manage the state- owned assets of CNAHC and the equity it holds in various companies
“CNAHC A Share Subscription”	the proposed subscription of new A Shares by CNAHC pursuant to the Share Subscription Agreement as part of the Non-public A Share Issue
“Company”	Air China Limited, a company incorporated in the People’s Republic of China, whose H shares are listed on the Hong Kong Stock Exchange as its primary listing venue and on the Official List of the UK Listing Authority as its secondary listing venue, and whose A shares are listed on the Shanghai Stock Exchange, and whose principal business is the operation of scheduled airline services
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Non-public A Share Issue on 26 January 2016
“H Shareholders”	holders of the H Shares
“H Shareholders’ Class Meeting”	the class meeting of the H Shareholders to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public A Share Issue on 26 January 2016
“H Share(s)”	the ordinary shares issued by the Company, with a par value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Independent Board Committee”	a board committee comprising Mr. Fu Yang, Mr. Pan Xiaojiang, Mr. Simon To Chi Keung and Mr. Stanley Hui Hon-chung, all being the independent non-executive Directors of the Company
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed under the Securities and Futures Ordinance to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Subscription Agreement
“Independent Shareholders”	the shareholders of the Company, other than CNAHC and its
“Investor(s)”	the investors other than CNAHC which would subscribe for new A Shares to be issued by the Company under the proposed Non-public A Share Issue
“Issue Price”	the issue price of not less than RMB7.89 (subject to adjustment) per A Share under the Non-public A Share Issue
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-public A Share Issue”	the proposed issue of not more than 1,520,912,547 new A Shares to specified investors including CNAHC by the Company at the Issue Price
“Pricing Benchmark Date”	12 December 2015
“Share Subscription Agreement”	the subscription agreement entered into between CNAHC and the Company on 11 December 2015, pursuant to which, CNAHC agrees to commit no more than RMB4,000 million to subscribe for, and the Company agrees to issue, not more than 506,970,849 new A Shares at the Issue Price
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State Asset Supervision and Administration Commission of the State Council of the PRC

“Shareholders”	the shareholders of the Company
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“trading day”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

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

Beijing, the PRC, 11 December 2015

As at the date of this notice, the directors of the Company are Mr. Cai Jianjiang, Ms. Wang Yinxiang, Mr. Cao Jianxiong, Mr. Feng Gang, Mr. John Robert Slosar, Mr. Ian Sai Cheung Shiu, Mr. Song Zhiyong, Mr. Fan Cheng, Mr. Fu Yang, Mr. Pan Xiaojiang*, Mr. Simon To Chi Keung* and Mr. Stanley Hui Hon-chung*.*

* *Independent non-executive Director of the Company*