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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of Air China Limited, you should at once hand this circular and the accompanying form of proxy and notice of attendance to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)**

- (i) GENERAL MANDATE TO ISSUE SHARES**
- (ii) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS**
- (iii) PROPOSED PAYMENT OF FINAL DIVIDENDS AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 9 of this circular.

A notice convening the annual general meeting of the Company to be held at 10:30 a.m. on Thursday, 25 May 2017 at The Conference Room One, 29/F, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC, is set out on pages 10 to 14 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment should you so wish.

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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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7 April 2017

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## DEFINITIONS

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

“A Share(s) ”	the domestic ordinary share (s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
“AGM”	the 2016 annual general meeting of the Company to be held at 10:30 a.m. on Thursday, 25 May 2017 at The Conference Room One, 29/F, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC, for the Shareholders to consider and approve the resolutions set out in the notice of the annual general meeting
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“Company”	Air China Limited, a company incorporated in the PRC, whose H Shares are listed on the 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
“CSRC”	China Securities Regulatory Commission of the PRC (中國銀行業 監督管理委員會)
“Debt Financing Instruments”	the debt financing instruments denominated in RMB or foreign currencies to be issued by the Company and/or its controlled or wholly-owned subsidiary in one or multiple tranches, including but not limited to corporate bonds, ultra-short-term commercial papers, short-term commercial papers, mid-term notes, domestic non-public targeted debt financing instruments, overseas debt financing instruments and overseas bonds/ notes
“Director (s) ”	the director (s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s) ”	the overseas listed foreign share (s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong” or “HKSA R”	Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Latest Practicable Date”	means 3 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region and Taiwan
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Shareholder (s) ”	registered holder (s) of the shares of the Company, including holder (s) of H Shares and holder (s) of A Shares
“Share (s) ”	the ordinary share(s) , including A Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent



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)

**Directors:**

*Non-Executive Directors:*

Cai Jianjiang (Chairman)

Cao Jianxiong

Feng Gang

John Robert Slosar

Sai Cheung Shiu, Ian

*Executive Directors:*

Song Zhiyong (President)

*Independent Non-Executive Directors:*

Pan Xiaojiang

To Chi Keung, Simon

Hui Hon-chung, Stanley

Li Dajin

**Registered Address:** Blue

Sky Mansion 28

Tianzhu Road

Airport Industrial Zone

Shunyi District Beijing,

PRC

**Principal Place of Business in**

**Hong Kong:**

5th Floor, CNAC

House 12 Tung Fai

Road

Hong Kong International Airport

Hong Kong

7 April 2017

*To the Shareholders*

Dear Sir or Madam,

- (i) GENERAL MANDATE TO ISSUE SHARES
- (ii) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS
- (iii) PROPOSED PAYMENT OF FINAL DIVIDENDS AND  
NOTICE OF ANNUAL GENERAL MEETING

**I. INTRODUCTION**

It is proposed that at the annual general meeting of the Company to be held on Thursday, 25 May 2017, the notice of which is set out on pages 10 to 14 of this circular, resolutions will be proposed to, among others, (i) give general mandates to the Directors to issue shares and increase the registered capital

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## **LETTER FROM THE BOARD**

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of the Company; (ii) give a general mandate to the Directors to issue Debt Financing Instruments; and (iii) approve the proposed payment of final dividends for the year ended 31 December 2016.

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## LETTER FROM THE BOARD

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### II. GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and to give discretion to the Directors in the event that it becomes desirable to issue any shares, a special resolution will be proposed at the AGM to give an unconditional general mandate to the Directors during the Relevant Period (as defined in the accompanying notice of the AGM), to separately or concurrently, authorize, allot and issue additional A Shares and/or H Shares of the Company and to make or grant offers, agreements or options in respect thereof, with an aggregate nominal value of not exceeding 20% of the aggregate nominal amount of each of the existing A Shares and H Shares of the Company in issue as at the date of the relevant resolution to be proposed and passed at the AGM (the “**Share Issue Mandate**”). The Share Issue Mandate will lapse at the conclusion of the Relevant Period. The Company shall obtain the approval of the CSRC and other relevant authorities for any issue of new shares under the Share Issue Mandate.

The special resolution will also propose to give a conditional general mandate to the Directors to increase the registered capital of the Company to reflect the issuance of shares authorised under the Share Issue Mandate, and to make such appropriate and necessary amendments to the Articles of Association as they think fit to reflect such increase in the registered capital of the Company and to take any other action and complete any formality required to effect such increase of the registered capital of the Company.

### III. GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

#### 1. Background

Given the general mandate to issue debt financing instruments granted by Shareholders at the last annual general meeting will lapse at the conclusion of the AGM, a special resolution will be proposed at the AGM to grant a general mandate to the Directors to issue the Debt Financing Instruments (the “**Debt Financing Instrument Issue Mandate**”).

#### 2. Particulars of Debt Financing Instruments

Particulars regarding the proposed issuance of the Debt Financing Instruments are as follows:

- |       |                      |  |
|-------|----------------------|--|
| (i)   | Issuer:              | the Company and/or its wholly-owned or controlled subsidiary   |
| (ii)  | Placing arrangement: | no preferential placement to the Shareholders  |
| (iii) | Issue size:          | the total balance of the Debt Financing Instruments outstanding will fall within the requirements under relevant laws and regulations as well as those specified by regulatory authorities |
| (iv)  | Term and type:       | not more than 15 years for one single-term instrument or a portfolio of instruments with various terms   |



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**LETTER FROM THE BOARD**

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## LETTER FROM THE BOARD

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- (v) Use of proceeds: the proceeds to be raised from the issuance are intended to be used towards meeting the demand of the Company's operations, adjusting its debt structure, replenishing its working capital and/or funding its capital investments, among others
- (vi) Term of validity of the resolution: from the date of the passing of the resolution at the AGM to the date of the annual general meeting of the Company for the year ending 31 December 2017

If the Board (including its authorised person) has resolved to issue the Debt Financing Instruments within the term of the Debt Financing Instrument Issue Mandate, it shall be deemed as an extension to the term of the mandate granted to the Board (including its authorised person) in respect of such issue on the general meeting, provided that there is no conflict between the mandate renewed by the Board (including its authorised person) on the general meeting after the expiry of the mandate and the mandate granted to the Board (including its authorised person) in respect of such issue.

### 3. AUTHORISATION TO THE BOARD

- 3.1 It is proposed to the Shareholders at the AGM to authorise the Board, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and market conditions:
- (i) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the issuance (including, but not limited to, the issue size, principle amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set repurchase or redemption terms, credit rating, guarantee, repayment term, specific fund-raising arrangements, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance) within the scope approved at a general meeting;
  - (ii) to carry out all necessary and ancillary actions and procedures relating to the issuance (including, but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issuance on behalf of the Company, execute all necessary documents, select bonds trustee manager for the issuance, formulate rules for the bondholders' meeting and handle any other matters relating to the issuance and trading) ;
  - (iii) to approve, confirm and ratify any action or procedure relating to the issuance as mentioned above already taken by the Company;

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## LETTER FROM THE BOARD

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- (iv) to make adjustments to the specific proposals for the issuance in accordance with the comments from the relevant regulatory authorities or the market conditions within the authority granted at a general meeting, in the case of any change in policies of regulatory bodies in relation to the issuance, or any change of market conditions, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association;
- (v) to determine and handle all relevant matters relating to the listing of the Debt Financing Instruments upon the completion of the issuance;
- (vi) in the case of issuance of corporate bonds, to determine not to distribute dividends to the Shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and/or coupon interests of such bonds as they fall due;
- (vii) to approve, execute and dispatch any announcements or circulars relating to the issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the shares of the Company are listed;
- (viii) to authorise the Board to delegate the authorisations set forth in items (i) to (vi) of paragraph 3.1 above to the president and/or the general accountant of the Company; and
- (ix) to authorise the Board to delegate the authorisation set forth in item (vii) of paragraph 3.1 above to the secretary of the Board.

#### **IV. PROPOSED PAYMENT OF FINAL DIVIDENDS**

Reference is made to the annual results announcement of the Company dated 30 March 2017 in respect of the recommended payment of a final dividend of RMB1.0771 (including tax) per ten Shares for the year ended 31 December 2016.

Based on the 2016 profit distribution plan of the Company, the Board recommends the appropriation of 10% of the discretionary surplus reserve and the payment of a cash dividend of RMB1.0771 (including tax) for every ten shares for the year ended 31 December 2016, totalling approximately RMB1,564 million based on the total issued shares of 14,524,815,185 shares of the Company as of the Latest Practicable Date.

The proposed payment of the 2016 final dividends is subject to Shareholders' approval at the AGM. Dividends payable to the Shareholders shall be denominated and declared in Renminbi. Dividends payable to the holders of A Shares shall be paid in Renminbi while dividends payable to the holders of H

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## **LETTER FROM THE BOARD**

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Shares shall be paid in Hong Kong dollars. The amount of Hong Kong dollars payable shall be calculated on the basis of the average of the middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the calendar week prior to the declaration of the 2016 final dividends (if approved) at the AGM.

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## LETTER FROM THE BOARD

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The Company proposed to pay the aforesaid dividends on 7 July 2017. For shares listed on the Stock Exchange (H Shares), the dividends shall be paid to Shareholders whose names appear on the register of members of the Company on 7 July 2017. The register of members of the Company will be closed from 2 June 2017 to 7 June 2017 (both dates inclusive) during which period no transfer of H Shares of the Company will be registered. For shares listed on the Shanghai Stock Exchange (A Shares), the dividends shall be paid to Shareholders whose names appear on the register of members of the Company at the close of business on 6 July 2017. The ex-dividend date of A Shares is 7 July 2017.

In accordance with the “Enterprise Income Tax Law of the People’s Republic of China” 《( 中華人民共和國企業所得稅法)》 and the “Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” 《( 中華人民共和國企業所得稅法實施條例)》, both implemented on 1 January 2008 and the “Notice of the State Administration of Taxation on Issues Relevant to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Offshore Non-resident Enterprise Holders of H Shares” (Guo Shui Han [2008] No. 897) 《( 關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知)》(國稅函 [2008] 897號) promulgated by the State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise shareholders at a tax rate of 10% from 2008 onwards when the Company distributes any dividends to non-resident enterprise shareholders whose names appear on the register of members of H Shares of the Company. As such, any H Shares of the Company which are not registered in the name (s) of individual (s) (which, for this purpose, includes Shares registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups) shall be deemed to be H Shares held by non-resident enterprise shareholder (s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the “Circular on Certain Issues Concerning the Policies of Individual Income Tax” Cai Shui Zi [1994] No. 020) 《( 關於個人所得稅若干政策問題的通知)》(財稅字 [1994] 020號) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of individual shareholders when the Company distributes the 2016 final dividends to individual shareholders whose names appear on the register of members of H Shares of the Company.

Pursuant to the Circular on Tax Policies Concerning the Pilot Programme of the Shanghai and Hong Kong Stock Market Trading Interconnection Mechanism (Cai Shui [2014] No. 81) 《( 關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知)》(財稅 [2014] 81號) and the Circular on Tax Policies Concerning the Pilot Programme of the Shenzhen and Hong Kong Stock Connect (Cai Shui [2016] No. 127) 《( 關於深港股票市場交易互聯互通機制試點有關稅收政策的通知)》(財稅 [2016] 127號), promulgated by the Ministry of Finance, the State Administration of Taxation and CSRC on 31 October

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## LETTER FROM THE BOARD

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2014 and 5 November 2016 respectively:

The Company is obliged to withhold PRC personal income tax on behalf of resident Shareholders at a tax rate of 20% when the Company distributes the 2016 final dividends to individual investors who invest in the Company's H share via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

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## LETTER FROM THE BOARD

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Where individual investors have already paid foreign withholding taxes for such income, investors may apply to the competent tax authorities of China Securities Depository and Clearing Corporation Limited for foreign tax credit with valid tax withholding certificates. The Company is obliged to pay RRC personal income tax on behalf of Mainland securities investment funds investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect when the Company distributes the 2016 final dividends; and

The Company will not withhold income tax on behalf of Mainland enterprise investors investing in H Shares of the Company through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect when the Company distributes the 2016 final dividends. The Mainland enterprise investors shall report the income and make tax payment by themselves.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares of the Company in the PRC and in Hong Kong and other tax effects.

### **V. RECOMMENDATION**

The Directors consider that the proposed resolutions set out in the notice of the AGM are in the best interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of all the resolutions at the AGM.

### **VI. DUTY REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

At the AGM, the Shareholders will be presented with the duty report of the independent non-executive Directors of the Company for the year 2016.

### **VII. AGM**

The Company will convene the AGM at The Conference Room One, 29/F, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC at 10:30 a.m. on Thursday, 25 May 2017. A notice of AGM, a form of proxy and a notice of attendance will be dispatched to the Shareholders in accordance with the Listing Rules on Friday, 7 April 2017. The notice of AGM is reproduced on pages 10 to 14 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instruction printed thereon. If you intend to attend the AGM, you are required to complete and return the notice of attendance to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited on or before Friday, 5 May 2017.

Completion and return of the form (s) of proxy will not preclude you from attending and voting in person at the meetings or at any adjournment should you so wish and completion and return of the notice of attendance do not affect the right of a shareholder to attend the respective meeting.

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## LETTER FROM THE BOARD

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### VIII. GENERAL INFORMATION

The Company will close its register of members and suspend the registration of transfer of shares from Tuesday, 25 April 2017 to Thursday, 25 May 2017 (both days inclusive) in order to determine the Shareholders list of the Company who will be entitled to attend and vote at the AGM.

Shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 25 April 2017 may attend the AGM after completing the registration procedures. In order to qualify for attendance at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on Monday, 24 April 2017.

Shareholders who intend to attend the AGM have to deliver the notice of attendance to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited in person or by post or fax on or before Friday, 5 May 2017.

By order of the  
Board **Cai Jianjiang**  
*Chairman*

Beijing, the PRC



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**AGM**”) of Air China Limited (the “**Company**”) for the year ended 31 December 2016 will be held at 10:30 a.m. on Thursday, 25 May 2017 at The Conference Room One, 29/F, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC for the following purposes:

### ORDINARY RESOLUTIONS

1. To consider and approve the work report of the board of directors (the “**Board**”) of the Company for the year 2016;
2. To consider and approve the work report of the supervisory committee of the Company for the year 2016;
3. To consider and approve the audited consolidated financial statements of the Company for the year 2016 prepared under the PRC Accounting Standards and the International Financial Reporting Standards;
4. To consider and approve the profit distribution proposal for the year 2016 as recommended by the Board (including approving the appropriation of 10% of the discretionary surplus reserve and the payment of cash dividends of RMB1,564 million, or RMB1.0771 (including tax) per ten shares based on the total number of 14,524,815,185 shares of the Company, for the year 2016) ;

### SPECIAL RESOLUTIONS

To consider and approve the following resolutions as special resolutions (items 5 to 6) :

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## NOTICE OF ANNUAL GENERAL MEETING

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5. “**THAT**

(a) the authorisation of the Board to authorize, allot and issue additional shares of the Company be and is hereby approved:

- (1) subject to paragraph (3) of this resolution, the exercise by the Board during the Relevant Period (as defined in paragraph (4) of this resolution) of all the powers of the Company to authorize, allot and issue additional A Shares and/or H Shares of the Company (hereinafter referred to as “**Shares**”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (2) this approval shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (3) the amount of additional A Shares and H Shares (as the case may be) authorized, allotted and issued or agreed conditionally or unconditionally to be authorized, allotted and issued either separately or concurrently by the Board pursuant to the approval in paragraph (1) of this resolution shall not exceed 20% of each of the Company’s existing A Shares and H Shares (as the case may be) in issue at the date of passing this resolution; and
- (4) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the 12 months period following the passing of this resolution; and
  - (iii) the revocation or variation of the authority given to the Board under this resolution by a special resolution of the Company’s shareholders (the “**Shareholders**”) in general meetings; and
- (b) the Board be and is hereby authorised to increase the registered capital of the Company to reflect the issue of Shares authorised under this resolution, and to make such appropriate and necessary amendments to the articles of association of the Company as they think fit to reflect such increases in the registered capital of the Company and to take any other action and complete any formality required to effect such increase of the registered capital of the Company;”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “THAT

- (a) the Board be and is hereby authorised, generally and unconditionally, to issue, in one or multiple tranche (s) , debt financing instruments within the permissible size under the applicable laws and regulations. Debt financing instruments include but are not limited to corporate bonds, ultra-short-term commercial papers, short-term commercial papers, mid-term notes, domestic non-public targeted debt financing instruments, overseas debt financing instruments and overseas bonds/ notes denominated in RMB or foreign currencies;
- (b) the Board be and is hereby authorised, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and market conditions:
  - (1) to determine the issuer, issue size, type, specific instruments, detailed terms, conditions and other matters relating to the issuance (including, but not limited to, the issue size, principle amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set repurchase or redemption terms, credit rating, guarantee, repayment term, specific fund-raising arrangements, detailed placing arrangements, underwriting arrangements and all other matters relating to the issuance) within the scope approved at a general meeting;
  - (2) to carry out all necessary and ancillary actions and procedures relating to the issuance (including, but not limited to, select and engage intermediary institutions, handle all approval, registration and filing procedures with the relevant regulatory authorities in connection with the issuance on behalf of the Company, execute all necessary documents, select bonds trustee manager for the issuance, formulate rules for the bondholders’ meeting and handle any other matters relating to the issuance and trading) ;
  - (3) to approve, confirm and ratify any action or procedure relating to the issuance as mentioned above already taken by the Company;
  - (4) to make adjustments to the specific proposals for the issuance in accordance with the comments from the relevant regulatory authorities or the market conditions within the authority granted at a general meeting, in the case of any change in policies of regulatory bodies in relation to the issuance, or any change of market conditions, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association;

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**NOTICE OF ANNUAL GENERAL MEETING**

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- (5) to determine and handle all relevant matters relating to the listing of the Debt Financing Instruments upon the completion of the issuance;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (6) in the case of issuance of corporate bonds, to determine not to distribute dividends to the Shareholders to safeguard repayment of debts as required under the relevant laws and regulations in the event that the Company expects to, or does fail to pay the principal and/or coupon interests of such bonds as they fall due;
- (7) to approve, execute and dispatch any announcements or circulars relating to the issuance and make any related disclosure in accordance with the listing rules of the relevant jurisdictions where the shares of the Company are listed;
- (8) to authorise the Board to delegate the authorisations set forth in items (1) to (6) above to the president and/or the general accountant of the Company; and
- (9) to authorise the Board to delegate the authorisation set forth in item (7) above to the secretary of the Board.”

By order of the  
Board **Air China**  
**Limited Cai Jianjiang**  
*Chairman*

Beijing, PRC, 7 April 2017

*As at the date of this notice, 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*

*Notes:*

### **1. Closure of Register of Members**

- (i) Eligibility for attending the AGM

Holders of H Shares of the Company are advised that the register of members of the Company will close from Tuesday, 25 April 2017 to Thursday, 25 May 2017 (both days inclusive), during which time no transfer of H Shares of the Company will be effected and registered. In order to qualify for attendance at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, 24 April 2017.

Shareholders whose names appear on the register of members of the Company on Tuesday, 25 April 2017 are entitled to attend the AGM.

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## NOTICE OF ANNUAL GENERAL MEETING

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(ii) Eligibility for receiving 2016 final dividends

The Board of the Company has recommended the payment of a final dividend of RMB1.0771 (including tax) per ten shares for the year 2016. If the final dividend is payable by the passing of Resolution No. 4 by the Shareholders, it will be paid to Shareholders whose names appear on the register of members of the Company on Wednesday, 7 June 2017.

The register of members of the Company will be closed from Friday, 2 June 2017 to Wednesday, 7 June 2017 (both dates inclusive) during which period no transfer of H shares of the Company will be registered. In order to be entitled to receive the 2016 final dividends (if approved), all transfers of H shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/ F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 1 June 2017.

### 2. Notice of attendance

H Share Shareholders who intend to attend the AGM should complete and lodge the accompanying notice of attendance and return it to the Company's H Share registrar on or before Friday, 5 May 2017. The notice of attendance may be delivered by hand, by post or by fax to the Company's H Share registrar Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the notice of attendance do not affect the right of a Shareholder to attend the AGM. However, the failure to return the notice of attendance may result in an adjournment of the AGM, if the number of shares carrying the right to vote represented by the Shareholders proposing to attend the AGM by the notice of attendance does not reach more than half of the total number of shares of the Company carrying the right to vote at the AGM.

### 3. Proxy

Every Shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the AGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar for holders of H Shares not less than 24 hours before the time appointed for the holding of the AGM. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar.

### 4. Other businesses

(i) The AGM is expected to last for two hours. Shareholders and their proxies attending the meeting shall be responsible for their own traveling and accommodation expenses.

(ii) The address of Computershare Hong Kong Investor Services Limited is:

17M Floor  
Hopewell Centre  
183 Queen's Road East

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## NOTICE OF ANNUAL GENERAL MEETING

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Wanchai

Hong Kong

Tel No.: (852) 2862 8628

Fax No.: (852) 2865 0990



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)

FORM OF PROXY FOR ANNUAL GENERAL MEETING

Number of shares to which this form of proxy relates <sup>(Note 1)</sup> \_\_\_\_\_

I/We <sup>(Note 2)</sup> \_\_\_\_\_

of \_\_\_\_\_

being the registered holder (s) of <sup>(Note 3)</sup> \_\_\_\_\_

H Shares in the share capital of Air China Limited (the "Company") **HEREBY APPOINT** <sup>(Note 4)</sup> the chairman of the meeting and/or <sup>(Note 4)</sup> \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy/proxies: (a) to act for me/us at the annual general meeting (or at any adjournment thereof) of the Company to be held at 10:30 a.m. on Thursday, 25 May 2017 at The Conference Room One, 29/F, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC (the "Meeting") for the purpose of considering and, if thought fit, passing the resolutions (the "Resolutions") as set out in the notice convening the Meeting; and (b) at the Meeting (or at any adjournment thereof) to vote for me/us and in my/our name (s) in respect of the Resolutions as hereunder indicated or, if no such indication is given, as my/our voting proxy thinks fit.

ORDINARY RESOLUTIONS		FOR <sup>(Note 5)</sup>	AGAINST <sup>(Note 5)</sup>
1.	To consider and approve the 2016 work report of the board of directors (the "Board") of the Company.		
2.	To consider and approve the 2016 work report of the supervisory committee of the Company.		
3.	To consider and approve the audited consolidated financial statements of the Company for the year 2016 prepared under the PRC Accounting Standards and the International Financial Reporting		
4.	To consider and approve the profit distribution proposal for the year 2016 as recommended by the Board.		

SPECIAL RESOLUTIONS		FOR <sup>(Note 5)</sup>	AGAINST <sup>(Note 5)</sup>
5.	To authorise the Board of the Company to exercise the powers to authorize, allot and issue additional shares of the Company and to make or grant offers, agreements and option which might require the exercise of such powers in connection with not exceeding 20% of each of the existing A Shares and H Share (as the case may be) in issue at the date of passing this resolution, and to authorise the Board to increase the registered capital and amend the articles of association of the Company to reflect such increase in the registered		
6.	To consider and approve the resolution in relation to the grant of a general mandate to the Board to issue debt financing instruments.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, Signature <sup>(Note 6)</sup> \_\_\_\_\_



*Notes:*

1. Please insert the number of shares registered in your name (s) to which this proxy form relates. If no number is inserted, this form of proxy will be deemed to relate to all shares registered in your name (s) .
2. Full name (s) and address (es) to be inserted in **BLOCK CAPITALS**
3. Please insert the total number of shares registered in your name (s) .
4. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies of his own choice to attend and vote instead of him. A proxy need not be a member of the Company. If any proxy other than the chairman of the Meeting is preferred, please strike out the words “the chairman of the meeting and/or” and insert the name (s) and address (es) of the proxy/proxies desired in the space provided. In the event that two or more persons (other than the chairman of the Meeting) are named as proxies and the words “the chairman of the meeting and/or” are not deleted, those words and references shall be deemed to have been deleted.
5. **IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, TICK IN THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST THE RESOLUTION, TICK IN THE BOX MARKED “AGAINST”.** Failure to complete the boxes will entitle your voting proxy to cast his vote at his discretion. A member is entitled to one vote for every fully-paid share held and a member entitled to more than one vote need not use all his votes in the same way. A tick in the relevant box indicates that the votes attached to all the shares stated above as held by you will be cast accordingly. The total number of shares referred to in the two boxes for the same resolution cannot exceed the number of Shares stated above as held by you.
6. This form of proxy must be signed by you or your attorney duly authorised in writing, or in the case of a corporation, must be either under seal or under the hand of a director or attorney duly authorised. If this form of proxy is signed by your attorney, the power of attorney or other document of authorisation must be notarised.
7. In order to be valid, this form of proxy, together with the notarised copy of the power of attorney or other document of authorisation (if any) under which it is signed, for holders of H Shares, must be delivered to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not less than 24 hours prior to the time appointed for holding the Meeting (or any adjournment thereof) .
8. Completion and delivery of a form of proxy will not preclude you from attending and/or voting at the Meeting (or any adjournment thereof) if you so wish.
9. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON(S) WHO SIGN(S) IT.**
10. To attend and represent the shareholder (s) at the Meeting, the proxy so appointed must produce beforehand his identification document and any power of attorney duly signed by his appointor (s) or the legal representative (s) of his appointor (s) . The power of attorney must state the date of issuance.



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)

**ANNUAL GENERAL MEETING NOTICE OF ATTENDANCE**

To: Air China Limited (the "Company")

I/We <sup>(Note 1)</sup> \_\_\_\_\_  
of \_\_\_\_\_,  
being the registered holder of <sup>(Note 2)</sup> \_\_\_\_\_ H Shares  
in the share capital of the Company hereby inform the Company that I/we intend to attend the annual  
general meeting to be held at 10:30 a.m. on Thursday, 25 May 2017 at The Conference Room One,  
29/F, Air China Building, 36 Xiaoyun Road, Chaoyang District, Beijing, PRC or to appoint proxies to  
attend on my/our behalf.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_ 2017

*Notes:*

1. Please insert the full name (s) and address (es) of the shareholder (s) as it is recorded in the register of members of the Company in BLOCK CAPITALS.
2. Please insert the number of shares registered in your name (s) .
3. Please duly complete and sign this Notice of Attendance, and deliver it to, for holders of H Shares, the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited on or before Friday, 5 May 2017.

Address of Computershare Hong Kong Investor Services Limited  
17M Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong  
Tel No.: (852) 2862 8628  
Fax No.: (852) 2865 0990