
IMPORTANT

If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.



AIR CHINA LIMITED
中國國際航空股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability under the Company Law of the People's Republic of China with registration number 1000001003917)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering:	2,805,680,000 H Shares (comprising 2,550,618,182 Offer Shares to be offered by the Company and 255,061,818 Sale Shares to be offered by the Selling Shareholders, each subject to the Over-allotment Option)
Number of Hong Kong Offer Shares:	280,568,000 H Shares (subject to adjustment)
Number of International Offering Shares:	2,525,112,000 H Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price:	not more than HK\$3.10 per Offer Share payable in full on application subject to refund on final pricing, plus brokerage of 1%, SFC transaction levy of 0.005%, investor compensation levy of 0.002% and Hong Kong Stock Exchange trading fee of 0.005%
Nominal Value:	RMB1.00 per Share
Stock Code:	753

Joint Global Coordinators and Joint Bookrunners

China International Capital Corporation Limited Merrill Lynch Far East Limited

Joint Lead Managers and Joint Sponsors to the listing in Hong Kong

China International Capital Corporation (Hong Kong) Limited Merrill Lynch Far East Limited

Sponsor to the listing in London

Merrill Lynch International

Primary listing on the Hong Kong Stock Exchange
and secondary listing on the Official List of the UK Listing Authority

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons (other than distributors) unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

A copy of this Prospectus, having attached thereto the documents specified in "Appendix X — Documents Delivered and Available for Inspection — Documents Delivered to the Registrar of Companies" to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong, the Hong Kong Stock Exchange and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any of the other documents referred to above. This document also comprises listing particulars relating to Air China Limited prepared in accordance with the London Listing Rules made under section 74 of the Financial Services and Markets Act 2000 and has been delivered to the Registrar of Companies in the United Kingdom in accordance with section 83 of the Financial Services and Markets Act 2000.

Application has been made to the Listing Committee for listing of, and permission to deal in, the H Shares, including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option. Application has been made for the H Shares to be issued pursuant to the Global Offering to be admitted to the Official List of the UK Listing Authority and to trading on the market for listed securities of the London Stock Exchange.

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence at 9:30 a.m. on December 15, 2004. Admission to the Official List is expected to become effective, and unconditional dealings in the H Shares on the London Stock Exchange are expected to commence, at 8:00 a.m. (UK time) on December 15, 2004.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (on behalf of the Underwriters), the Selling Shareholders and us on the Price Determination Date. The Price Determination Date is expected to be on or around December 9, 2004 and, in any event, not later than December 14, 2004. The Offer Price will be announced in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese) as soon as practicable after the Offer Price is fixed. The Offer Price will be not more than HK\$3.10 per Offer Share and is currently expected to be not less than HK\$2.35 per Offer Share. Applicants for Hong Kong Offer Shares are required to pay, on application, the maximum offer price of HK\$3.10 for each Hong Kong Offer Share together with 1% brokerage, 0.005% SFC transaction levy, 0.002% investor compensation levy and 0.005% Hong Kong Stock Exchange trading fee subject to refund if the Offer Price as finally determined is less than HK\$3.10 per Offer Share.

Prospective investors should read the entire document carefully and, in particular, should consider the matters discussed in the section headed "Risk Factors" in this Prospectus.

The Joint Global Coordinators (on behalf of the Underwriters) may, with our consent and the consent of the Selling Shareholders, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this Prospectus (which currently is HK\$2.35 to HK\$3.10 per Offer Share) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. If applications for Hong Kong Offer Shares have been submitted prior to the day that is the last day for lodging applications under the Hong Kong Public Offering, then even if the number of Offer Shares and/or the indicative Offer Price range is so reduced, such applications cannot be subsequently withdrawn. Further details are set out in the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

If, for any reason, we, the Selling Shareholders and the Joint Global Coordinators (on behalf of the Underwriters) are unable to reach an agreement on the Offer Price, the Global Offering (including the Hong Kong Public Offering) will not proceed.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares are subject to termination by the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) if certain grounds arise at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such grounds are set out in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” in this Prospectus. It is important that you refer to that section for further details.

The Company is incorporated, and a substantial part of its businesses are conducted, in the PRC. Potential investors in the Company should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong and there are different risk factors relating to investments in PRC-incorporated companies. Potential investors in the Company should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of our H Shares. Such differences and risk factors are set out in the sections headed “Risk Factors” and “Regulation” in this Prospectus.

No H Shares have been marketed to, nor are any available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in connection with admission to the official list of the UK Listing Authority and to trading on the London Stock Exchange’s market for listed securities.

The acquirer of Shares agrees with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application, including applications made by HKSCC Nominees, to have agreed, for itself and on behalf of each Shareholder of the Company, with each applicant including each CCASS Participant giving electronic application instruction) to observe and comply with the PRC Company Law, the Special Regulations and the Articles of Association.

The acquirer of Shares agrees with the Company, each Shareholder, Director, Supervisor, president, manager and officer of the Company and the Company acting for itself and for each Director, Supervisor, president, manager and officer of the Company agrees with each Shareholder to refer all differences and claims arising from the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearing in open session and to publish its award, which shall be final and conclusive.

The acquirer of Shares agrees with the Company and each Shareholder that the H Shares are freely transferable by the holder thereof.

The acquirer of Shares authorises the Company to enter into a contract on his behalf with each Director, Supervisor, president, manager and officer of the Company whereby such Director, Supervisor, president, manager and officer of the Company undertake to observe and comply with their obligations to Shareholders stipulated in the Articles of Association.

December 3, 2004
