

Our forecast combined profit before taxation and combined profit after taxation and minority interests but before extraordinary items for the year ending December 31, 2004 is set out in the section headed “Financial Information — Profit Forecast for the Year Ending December 31, 2004” in this Prospectus.

A. BASES AND ASSUMPTIONS

The Directors have prepared the forecast of the combined profit before taxation and the combined profit after taxation and minority interests but before extraordinary items of the Group for the year ending December 31, 2004 based on the audited combined results of the Group for the six months ended June 30, 2004, unaudited combined results of the Group for the two months ended August 31, 2004 and a forecast of the combined results of the Group for the four months ending December 31, 2004. The Directors are not aware of any extraordinary items which have arisen or are likely to arise during the year ending December 31, 2004. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by the Group as summarised in “Appendix I— Accountants’ Report” to this Prospectus and is based on the following principal assumptions which are outside the Directors’ influence:

- there will be no material changes in existing political, legal, fiscal, market or economic conditions in China, Hong Kong, or any other country or territory in which we currently operate or which are otherwise material to our revenues;
- there will be no changes in legislation, regulations or rules in China, Hong Kong or any other country or territory in which we operate or with which we have arrangements or agreements, which may have a material adverse effect on our business;
- based on information currently available to us, there will be no tariff reduction that will have a material adverse effect on our business;
- there will be no material changes in the bases or rates of taxation in the countries or territories in which we operate, except as otherwise disclosed in this Prospectus; and
- there will be no material changes in interest rates or foreign currency exchange rates from those prevailing as at the last audited balance sheet date.

B. LETTERS

Set out below are texts of letters, prepared for inclusion in this Prospectus, received by our Directors from the Company's reporting accountants, Ernst & Young, and from the Joint Sponsors in connection with the forecast of our combined profit before taxation and the combined profit after taxation and minority interests but before extraordinary items for the year ending December 31, 2004.



15th Floor
Hutchison House
10 Harcourt Road
Central
Hong Kong

December 3, 2004

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

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast of the combined profit before taxation and the combined profit after tax and minority interests but before extraordinary items of Air China Limited (the "Company"), its subsidiaries and its joint ventures (hereinafter collectively referred to as the "Group") for the year ending December 31, 2004 (the "Forecast") as set out in the subsection headed "Profit Forecast For The Year Ending December 31, 2004" under the section headed "Financial Information" in the prospectus of the Company dated December 3, 2004 (the "Prospectus"), for which you as directors of the Company are solely responsible. The Forecast has been prepared by the directors of the Company based on the audited combined results of the Group for the six months ended June 30, 2004, the unaudited management accounts of the Group for the two months ended August 31, 2004 and a forecast of the combined results of the Group for the remaining four months of the year ending December 31, 2004 on the basis that the Group had been in existence throughout the entire financial year ending December 31, 2004.

In our opinion, so far as the accounting policies and calculations are concerned, the Forecast has been properly compiled in accordance with the bases and assumptions made by the directors of the Company as set out in Part A of Appendix III to the Prospectus, and is presented on a basis consistent in all material respects with the accounting policies presently adopted by the Group as set out in our Accountants' Report dated December 3, 2004, the text of which is set out in Appendix I to the Prospectus.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

C. Letter from the Joint Sponsors and the London Sponsor

The following is the text of a letter, prepared for inclusion in this Prospectus, received by the Directors from China International Capital Corporation (Hong Kong) Limited, Merrill Lynch Far East Limited and Merrill Lynch International in connection with the forecast of our combined profit before taxation and the combined profit after taxation and minority interests but before extraordinary items for the year ending December 31, 2004.

**CHINA INTERNATIONAL CAPITAL
CORPORATION (HONG KONG) LIMITED**

**MERRILL LYNCH FAR EAST
LIMITED**

**MERRILL LYNCH
INTERNATIONAL**

December 3, 2004

The Directors
Air China Limited

Dear Sirs,

We refer to the forecast of the combined profit before taxation and the combined profit after taxation and minority interests but before extraordinary items of Air China Limited (the “Company”), its subsidiaries and its joint-ventures (collectively, the “Group”) for the year ending December 31, 2004 (the “Forecast”) as set out in the section headed “Financial Information — Profit Forecast For the Year Ending December 31, 2004” in the prospectus of the Company dated December 3, 2004 (the “Prospectus”).

We have discussed with you the bases and assumptions made by you as set out in Section A of Appendix III to the Prospectus upon which the Forecast has been made. We have also considered the letter dated December 3, 2004 addressed to yourselves and ourselves from Ernst & Young regarding the accounting policies and calculations upon which the Forecast has been made.

On the basis of the foregoing and on the basis of the accounting policies and calculations adopted by you and reviewed by Ernst & Young, we are of the opinion that the Forecast, for which you as directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
**China International Capital Corporation
(Hong Kong) Limited**
Zhang Xiaoming
Managing Director

For and on behalf of
Merrill Lynch Far East Limited
Wang Bing
Authorised signatory

For and on behalf of
Merrill Lynch International
Wang Bing
Authorised signatory